

# DAILY REPORT

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*China*

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IOC PRESIDENT URGES ISF TO ABIDE BY IOC RULES

OW311616 Beijing XINHUA in English 1559 GMT 31 Mar 82

[Excerpts] Beijing, March 31 (XINHUA) -- Juan Antonio Samaranch, president of the International Olympic Committee [IOC], after conclusion of his first official visit to China, called on the International Softball Federation to abide by the committee's rules and decisions.

Referring to the fifth world women's softball championships, scheduled for Taipei this summer, Samaranch, speaking at a press conference this afternoon, said: "One, all the international federations are independent. All the international federations can run sports as they like. Two, in the I.O.C. we have international federations in the Olympic program, and we also have some federations recognized by the I.O.C., like the Softball Federation. These international federations recognized by the I.O.C. must follow our rules, must follow our decisions, if they want to be recognized by the I.O.C."

Samaranch said if any organizations recognized by the I.O.C. did not follow their rules, the committee would discuss the problem at the I.O.C.'s May meeting in Rome.

Speaking about his visit, Samaranch said this was his first after his election as I.O.C. president. "It's been a friendly and a very positive visit," he said.

He said: "Sports in China must play a very important role in international sports. We now have a new I.O.C. member, Mr He Zhenliang, who will be introduced into our organization next May. I think China must play a most important role in international sports." He said China has competed internationally and made progress in the fields such as volleyball, table tennis and gymnastics. "Chinese athletes are now making efforts and I believe they will make much headway in the future," he said. He also said he will visit China next year at the invitation of Chinese Olympic Committee for China's fifth national games.

Xu Cai, president of the Chinese Sports writers' Association, presided at the conference. I.O.C. Vice-President Masaji Kiyokawa and foreign journalists in Beijing also attended.

Samaranch leaves for Hong Kong tomorrow.

PRC DONATES TO UNESCO COMMUNICATIONS PROGRAMS

OW010809 Beijing XINHUA in English 0720 GMT 1 Apr 82

[Excerpts] Paris, March 31 (XINHUA) -- The Chinese Government has donated 100,000 U.S. dollars to the UNESCO programs for communication development with a view to helping the Third World in developing news interflow.

China's permanent representative to UNESCO, Su Lin, recently met with Mahtar M'Bow, director-general of UNESCO, and delivered to him a letter, from the chairman of the National Commission of China for UNESCO, along with a 100,000-dollar **check**.

Su Lin said China, though not well-off itself, had made the donation as an expression of appreciation for and support to the UNESCO programs.



XINHUA NOTES REAGAN REMARKS ON NUCLEAR ARMS

OW011218 Beijing XINHUA in English 1200 GMT 1 Apr 82

[Text] Washington, March 31 (XINHUA) -- U.S. President Ronald Reagan declared here tonight that his administration supports major verifiable reductions of U.S. and Soviet nuclear weapons to "equal force levels," but rejects any immediate freeze of nuclear missiles.

Reagan's statement, made at a nationally televised news conference, is a response to Soviet President Brezhnev's announcement on March 16 of a proposal for moratorium on deployment of medium-range missiles in the European part of the Soviet Union in an attempt to stop a NATO plan for deployment of Pershing II and cruise missiles in Western Europe.

The statement was also made at a time when a nuclear freeze movement has been spreading in the country in the past few months and a heated debate has been going on over the issue in political circles and among the public.

The President noted he commends a congressional resolution sponsored last week by Senator Jackson and Senator Warner and supported yesterday by 56 other senators, calling upon the United States and the Soviet Union to reach an agreement for "a long term, mutual and verifiable nuclear forces freeze at equal and sharply reduced levels." Reagan said this is "an important move" and elements of the resolution "are consistent with the views" of his administration. He then asked the Soviet Union to join the United States in substantially reducing nuclear weapons and making "an important breakthrough for lasting peace on earth."

While terming Brezhnev's new proposal a propaganda campaign, Reagan reaffirmed his commitment to his "zero option" proposal announced last November to eliminate entirely intermediate-range missiles in Europe by both the NATO and Warsaw Pact countries. Negotiations over nuclear weapons with the Soviet Union must be carefully prepared, he warned, adding: "We can't afford to repeat past mistakes -- to arrive hastily at an arms control process that sends hopes soaring only to end in dashed expectations."

Referring to a resolution sponsored two weeks ago by Senator Kennedy and others calling for negotiating first a freeze on nuclear forces at existing levels and then reductions in atomic arms, the President said since the Soviet Union has "a definite margin of superiority" over nuclear missiles, such a freeze "would not only be disadvantageous -- in fact, even dangerous to us with them in that position -- but I believe that it would also militate against any negotiations for reduction. There would be no incentive for them to meet with us and reduce."

On the talks with the Soviet Union on strategic weapons reductions, Reagan said: "The United States would be ready as far as its own team is concerned.... When we are ready, then of course setting a date will depend somewhat on the whole international situation. There could be things that could make it seem a little unseemly to propose such a meeting." However, he thought that it is possible to begin the strategic arms negotiations by this summer.

REAGAN SEEKS MORE AID TO ROK, SOUTHEAST ASIA

OW311908 Beijing XINHUA in English 1834 GMT 31 Mar 82

[Text] Washington, March 30 (XINHUA) -- Ronald Reagan's administration proposed today to the House of Representatives for more military and economic assistance to South Korea and Southeast Asian countries in fiscal 1983.

Testifying before a subcommittee of the House Appropriations Committee today, U.S. Assistant Secretary of State John Holdridge stressed that the United States had vital economic and military interests in this "highly important region." While the Soviet Union was increasing its strength in east Asia, Southeast Asia and the Middle East, it was essential to increase U.S. assistance to the countries in this area, he said.

The U.S. Government plans to provide more than 584 million dollars in military and economic aid to Southeast Asian countries and South Korea in fiscal 1982. Holdridge proposed a total of 677.7 million dollars for fiscal 1983.

Thailand and the Philippines will be the largest recipients of the proposed assistance, according to Holdridge. He pointed out that Thailand has been facing a constant military threat from Vietnamese forces. "The strengthening of Thailand's Armed Forces is essential at this point, considering Vietnam's continued military occupation of Kampuchea and its recent force improvements in that country," Holdridge noted.

Holdridge also said that the United States had two important military bases in the Philippines -- the Subic naval base and the Clark Air Base, which "are of major strategic importance" to the United States.

#### RENMIN RIBAO LOOKS AT U.S. VOLUNTEER ARMY

HK180724 Beijing RENMIN RIBAO in Chinese 14 Mar 82 p 6

[Article by Zhang Dezhen [91728 1795 4176]: "The Controversy Over the Voluntary Military Service System and the Conscription System in the United States"]

[Text] "The most urgent problem facing the U.S. Army is not how to choose the various types of sophisticated weapons that the Reagan administration has promised to give it, but how to get the most ancient weapons -- soldiers."

This is what Drew Middleton, a U.S. commentator, wrote in his recently published article. U.S. Army Chief of Staff Edward C. Meyer has also expressed a similar opinion. When he was giving evidence to the House of Representatives, he said: "President Reagan's global strategy is in great danger, because there are too few personnel in the armed forces to carry out this strategy."

Their opinions are not completely groundless. They conform with the analysis of many military specialists; that is, that the present shortage and the low quality of personnel has already become a headache for the American Armed Forces. Western newspapers have called the American Armed Forces a "fragmented" and "fragile" army. True, there are quite a few causes of this situation. But we cannot deny that the present U.S. system of military service is one of the factors that have directly given rise to this situation.

The United States has always carried out two kinds of military service systems, namely, the conscription system, which has been adopted mainly in wartime, and the voluntary military service system, which has been adopted mainly in peacetime. During the 1940's and early 1970's, it adopted the conscription system of selecting soldiers by drawing lots. Under this system, every American male citizen had to register as a candidate, and then the candidates that accorded with military service requirements were selected by drawing lots.

During the war in Vietnam, because of the broad masses' strong opposition and resistance to the compulsory military service, the U.S. Government was forced to declare the abolishment of the conscription system at the beginning of 1973 and began to adopt the voluntary military service system. All an enlisted youth has to do is pass the intelligence and physical examinations, and then he can sign a service contract with the armed forces and, in the light of his own personal conditions, choose the place, nature and unit of his service.

Since the adoption of the voluntary military service system, despite repeated measures by the government to raise the salaries and benefits of military servicemen in order to attract youths to join the armed forces, there has been no improvement in the situation of military personnel recruitment. On the contrary, quite a few new problems have cropped up:

1. An increasingly serious shortage of personnel. Since the abolishment of the conscription system, most youths would rather enter institutes of higher learning or find jobs in private industry in order to pursue degrees and high-salaried posts than join the armed forces. As a result, the number of those who voluntarily enlist for military service has increasingly declined, and for several years running, the recruitment targets have not been met. At present, there is a great shortage of personnel for all kinds of military services. Some of the infantry companies nominally consist of three platoons, but actually have the personnel of only two platoons. Some navy warships cannot be operated owing to a shortage of technical personnel. According to Reagan's plan to expand the U.S. Armed Forces, they will recruit 250,000 more personnel in addition to the present personnel level of 2 million. But, just as American newspapers said: "Where can these additional personnel be recruited?"

2. Reduced quality of newly recruited soldiers. Most of the enlisted youths come from low-income families and they enter into military service because they cannot continue with their studies or find employment. Most of them are inadequately educated. Quite a few of them fail to meet the minimum requirement of completion of secondary education. Among the newly recruited soldiers, the proportion of minority nationality soldiers, especially blacks, has become greater and greater. According to statistics, at present, nearly one-third of all military personnel are black. Because of a shortage of male recruits, the armed forces have to recruit female soldiers. In 1972, the year before the adoption of the voluntary military service system, only 1.6 percent of American military personnel were female, but now the proportion has risen to 8 percent.

3. Since the adoption of the voluntary military service system, because the servicemen perform their military duties under contracts instead of fulfilling a duty, there have been universal phenomena of lax discipline, poor sense of responsibility and unwillingness to participate in difficult military training. This cannot help but exert a negative impact on the combat effectiveness of the armed forces. The various disadvantages of the voluntary military service system have drawn the attention of various circles in the United States, and a widespread controversy has developed over this problem. Those who uphold the restoration of the conscription system loudly cry: "If we go on doing this for 2 or 3 years, we will be in imminent danger of having weak armed forces that consist wholly of those who have joined voluntarily." There are also some people in the Pentagon who are of the opinion that the voluntary military service system is not an adequate system to cope with wanton Soviet challenges in every part of the world. However, those who uphold the restoration of the conscription system do not constitute a majority of public opinion. Opposition to compulsory military service remains very strong among the youths. There is an historical reason why the restoration of the conscription system meets with such a great resistance. In the history of the United States, compulsory military service was only enforced for short periods and generally, in peacetime, the voluntary military service system has mainly been adopted. Even in wartime it was not easy to adopt a compulsory military service system. For example, in 1940, the Conscription Act was passed with only a slim majority of one vote. Since the abolishment of the conscription system in 1973, no one in power has been willing to risk mentioning this problem for fear that it may cause social disturbances in opposition to the conscription system, as happened in the 1960's and the 1970's. Since President Reagan took office, the problem of the shortage of military personnel has become more pronounced, because he wants to deal with Soviet challenges in all parts of the world and because he wants to strengthen the Rapid Deployment Force. Therefore, the Reagan administration, despite its clear-cut statement that it did not want to restore the conscription system, has broken an election promise and has put forth the idea of continuing to carry out registration for military service throughout the country. Some people are of the opinion that this is the first step to restoring the conscription system. Along with the aggravation of the conflicts between the United States and the Soviet Union, controversy over this problem will inevitably be heightened.

VICE PREMIER BO YIBO LEAVES FOR VISIT TO JAPAN

OW010114 Beijing XINHUA in English 0103 GMT 1 Apr 82

[Text] Beijing, April 1 (XINHUA) -- Chinese Vice-Premier Bo Yibo left here by air this morning for a visit to Japan at the invitation of the Ministry of Foreign Affairs of Japan and the Japan Association for the Promotion of International Trade.

During his two-week stay in Japan, Bo Yibo will study the machine-building industry and economic management system there. He is being accompanied by Du Xingyuan, secretary-general of the State Council.

They were seen off at the airport by Vice-Premier Chen Muhua and leading members of the departments concerned. Japanese Ambassador to China Yasue Katori was also on hand.

PRC-JAPAN THIRD WORKING-LEVEL TALKS 'FRUITFUL'

OW311520 Beijing XINHUA in English 1511 GMT 31 Mar 82

[Text] Tokyo, March 31 (XINHUA) -- China and Japan agreed that their just ended third working-level diplomatic consultations were fruitful discussions which would help promote the understanding and friendly cooperation between the two countries.

During the two-day regular working level talks ending here Wednesday, the two sides had an exchange of views on international problems of common interest, bilateral relations and on the coming exchange of visits by the premiers of China and Japan to commemorate the 10th anniversary of the establishment of diplomatic relations between the two countries.

Chinese Vice-Foreign Minister Fu Hao and Japanese Deputy Foreign Minister Kensuke Yanagiya attended the talks. Chinese Ambassador Song Zhiguang was also present at the meeting. Japanese Foreign Minister Yoshio Sakuruchi met and had a cordial and friendly talk with Fu Hao and his party yesterday afternoon.

Fu Hao arrived here on March 29 and leaves for home tomorrow.

TRADE UNION FEDERATION DELEGATION VISITS JAPAN

Departure of Group

OW231248 Beijing XINHUA in English 1221 GMT 23 Mar 82

[Text] Beijing, March 23 (XINHUA) -- A Chinese trade union delegation led by Ni Zhifu, president of the All-China Federation of Trade Unions, left here today for a friendship visit to Japan at the invitation of the General Council of Trade Unions of Japan.

Trade Union Leaders Hold Talks

OW251851 Beijing XINHUA in English 1836 GMT 25 Mar 82

[Text] Tokyo, March 25 (XINHUA) -- Trade union leaders of China and Japan agreed today that they would continue working for the friendship between the two peoples and the maintenance of Asian and world peace.

The pledge was made at talks held here this morning between the visiting delegation of the All-China Federation of Trade Unions headed by its president, Ni Zhifu, and leaders of the General Council of Trade Unions of Japan (Sohyo).

The two sides exchanged views on a number of issues of common concern. They promised to further strengthen the unity of workers and trade unions of both countries.

In the talks, the Japanese side gave an account of the present Japanese workers' movement and the problems it is facing. Ni Zhifu expressed his deep sympathy for the Japanese workers and people seeking legitimate political and economic interests, opposing war of aggression, and safeguarding peace. He also expressed the determination of Chinese workers to fight against imperialism, hegemonism and colonialism, and to strive for world peace along with their Japanese counterparts. He wished the Japanese workers more successes in the present spring-season struggle.

This evening, Sohyo, the Federation of Independent Unions, the National Federation of Industrial Organizations and the Japanese Confederation of Labor jointly held a cocktail party to welcome the Chinese delegation. More than 200 Japanese trade union leaders and noted figures of various circles attended the party.

Chairman of Sohyo Motofumi Makieda, in his toast at the party, said in the present world, political tension is worsening and economic difficulties aggravating. It is of extraordinary significance for the workers of both countries to deepen mutual understanding, promote friendship and goodwill and strengthen relations of unity and cooperation between them at a time when Asian and world peace is facing a grave crisis, Makieda said.

In reply, Ni Zhifu said continued development of China-Japan friendship is not only in the fundamental interests of the workers and people of both countries, but is also significant for the maintenance of peace in Asia and other parts of the world. Ni said the Chinese side highly appraised the Japanese workers and trade unions' long-term contributions to the cause of China-Japan friendship. Referring to the present anti-nuclear weapon struggle of the Japanese people, Ni Zhifu said the Japanese people are the only victims of atom bombs. "We fully understand and deeply sympathize with the Japanese workers and people in their struggle against nuclear weapons and the arms race between the two superpowers in the interests of world peace."

The delegation of the All-China Federation of Trade Unions arrived here on March 23 at the invitation of Sohyo.

#### CHEN MUHUA MEETS JAPANESE TRADE DELEGATION

OW311249 Beijing XINHUA in English 1239 GMT 31 Mar 82

[Text] Beijing, March 31 (XINHUA) -- Chen Muhua, vice-premier and minister of foreign economic relations and trade, met and had a friendly conversation here this afternoon with Teiji Hagiwara, vice-chairman of the Japan Association for the Promotion of International Trade, and his party. Present on the occasion was Wang Yaoting, chairman of the China Council for the Promotion of International Trade.

Teiji Hagiwara arrived here on March 28.



BEIJING CRITICIZES LE DUAN'S POLITICAL REPORT

OW311437 Beijing in Vietnamese to Vietnam 1400 GMT 29 Mar 82

[Station correspondent Yue Yu's commentary: "What Is the Cause of Calamities?"]

[Text] Le Duan read a political report which dealt with Vietnam's economic situation at the first session of the Fifth Vietnamese Communist Party [VCP] Congress.

The figurative and empty words contained in the formal report were very prosy. However, one should pay attention to his acknowledgement that Vietnam's national economy is now being confronted with many acute problems. The results of the implementation of the economic plan in the 5 years from 1976 to 1980 have not reduced the serious imbalance in Vietnam's national economy. Production rises slowly. Part of social consumption must be taken from loans and aid. There are shortages of food, clothing and other essential consumer goods. There are still great disparities between financial revenues and expenditures, goods and money, and exports and imports. Markets and prices are unstable. The livelihood of the working people is fraught with difficulties.

As Le Duan admitted, these difficulties have stemmed from shortcomings and mistakes of the party and state agencies in economic leadership and management. The gloomy picture of Vietnam's economy he draws completely contrasts with his ambitious plan and promises he made to the Vietnamese people at the Fourth VCP Congress a few years ago. This proves that the Vietnamese rulers' economic plans in the past years were only defeats. In the face of the strong discontent of the great majority of people, cadres and party members, the Vietnamese rulers had reluctantly confessed their mistakes in the economic field.

Since the end of the anti-U.S. national salvation struggle and Vietnam's reunification, especially since the Le Duan clique's overt opposition to China and outrageous invasion of Kampuchea, Vietnam's national economy has been deteriorating more seriously, the Vietnamese people's life has become more difficult and even poorer than during the resistance war, hundreds of branches have become desolate and victimized people have been seen everywhere.

The Le Duan clique has failed to offer an adequate explanation and suppressed the people's discontent and worries. As revealed by the Vietnamese press, from the end of last year to early this year, various localities concentrate primarily on the party's orientation, main tasks and measures in their discussions of the draft documents to be presented to the Fifth VCP Congress. Generally speaking, people are dissatisfied with the fact that food and consumer goods are presently not supplied according to set criteria. Because of differing views and fierce disputes, the 10th VCP Plenum held on 9 October 1981 was prolonged until 3 November, thus becoming [word indistinct] marathon plenum in the VCP's history. As a result, the Le Duan clique had to confess its shortcomings and mistakes in economic leadership and management at the Fifth VCP Congress with a view to appeasing the people's discontent and the contradictions within the party. However, one wonders whether Vietnam's present economic crisis has been caused only by these shortcomings and mistakes or, as explained by some Vietnamese leaders, by subjectivism and impatience. Of course, these shortcomings and mistakes may be regarded as the causes of the deterioration of Vietnam's economy, but, in the final analysis, the root cause is the fact that the Le Duan clique has adopted a political line harmful to the country depending entirely on the Soviet Union, seeking to achieve regional hegemonism, pursuing its aggressive and expansionist policy and pouring all of Vietnam's inherently limited wealth and manpower into the huge military machinery. At present, Vietnam's numerical strength militarily has reached 1.2 million men, or 2.2 percent of its total population, while its military expenditures are more than 50 percent of total financial expenditures. The bottomless pit of aggression and expansionism has swallowed all the capital for construction and the previous manpower of Vietnam, thus causing a situation of declining production, empty budget and strained supply of goods. This is the real cause of Vietnam's economic crisis. Le Duan dared not mention this root cause in his political report, but declared the continuation of this pro-Soviet line and his anti-China and aggressive and expansionist policies, thus proving his clique's unwillingness to change its line and policies in order to lead Vietnam out of the present economic crisis.

Le Duan's hope to use self-criticism to appease the Vietnamese people's discontent in order to realize his dream of regional hegemonism and continue tying Vietnam to the Kremlin tank will surely bring more serious disasters to Vietnam's economy and the people's livelihood.

RADIO VIEWS VIETNAM COMMUNIST PARTY PURGE

OW311413 Beijing in Vietnamese to Vietnam 1130 GMT 29 Mar 82

[Current events talk: "A Reluctantly Released Report"]

[Text] The Le Duan clique has continuously conducted a purge of Vietnamese Communist Party [VCP] members over the past years. A recent issue of TAP CHI CONG SAN published in Hanoi has reported on the results of the purge. From the Fourth VCP Congress to the present, more than 86,000 party members have been expelled from the party. According to the Vietnamese rulers, the reason for their exclusion was that they have failed to comply with the party's line, showed discontent over the party's line and policies, refused to fulfill their military obligation, failed to adopt a clear-cut attitude toward the Beijing expansionists and so forth.

This explanation reveals that the Le Duan clique's arbitrary move has displeased the people. Realities have proved that its way of protecting state sovereignty and its subordination to Moscow by serving as a volunteer in Soviet global strategy have not helped it win the party members' sympathy. Its political and economic policies harmful to the country have caused extreme discontent among party members. Its sending of troops to invade Kampuchea and its frenzied opposition to China have been opposed by party members.

A proverb says: Incurring the people's displeasure will lead to the loss of their support. The Le Duan clique's expulsion of those who do not side with it cannot help dissipate the discontent and protest of party members and the peoples. Its move can only hurt the people's feelings and cause it to be, finally, completely isolated.

HE YING SAYS THAI FOREIGN MINISTER TO VISIT PRC

BK291501 Bangkok Voice of Free Asia in Thai 1000 GMT 29 Mar 82

[Text] Chinese Vice Foreign Minister He Ying stated at the Chinese Embassy yesterday that Foreign Minister Air Chief Marshal Sitthi Sawetsila had accepted an invitation to visit China soon, and the preliminary stage of preparations had been completed.

Mr He Ying said he met Air Chief Marshal Sitthi before attending the 38th ESCAP conference and inquired about the invitation extended to the Thai prime minister, deputy prime minister and foreign minister by the Chinese Government. He said Air Chief Marshal Sitthi accepted the invitation.

Chinese Vice Foreign Minister He Ying said he was elated and felt honored to attend the Bangkok bicentennial celebration, a grand celebration of the Thai people. He praised the Thai people's efforts and successes in economic and cultural development of their country.

PLA DEPUTY CHIEF ATTENDS BURMA ARMY DAY RECEPTION

OW271320 Beijing XINHUA in English 1230 GMT 27 Mar 82

[Text] Beijing, March 27 (XINHUA) -- Colonel Nyo Win, new military, naval and air attache of the Embassy of the Socialist Republic of the Union of Burma, and his wife gave a reception here today to mark the 37th anniversary of the Armed Forces Day of Burma.

Among those attending the reception were Wu Xiuquan, deputy chief of General Staff of the Chinese People's Liberation Army; Fu Jize, deputy commander of the navy; and Wu Fushan, deputy commander of the air force. Diplomatic envoys of a number of countries to China and military attaches of foreign embassies in Beijing were present. Burmese Ambassador to China, U Tha Tun and his wife also attended.

BO YIBO MEETS HONG KONG SHIPPING EXECUTIVE

OW291544 Beijing XINHUA in English 1514 GMT 29 Mar 82

[Text] Beijing, March 29 (XINHUA) -- Chinese Vice-Premier Bo Yibo met C.L. Pao, chairman of the Regent Shipping Company Ltd., Hong Kong, his wife and party in the Great Hall of the People here today.

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PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

Pao presented the Chinese vice-premier with a color photo of the company's freighter Changcheng, which was built by the Dalian shipyard in northeast China and began service in September. Bo Yibo thanked Pao for his efforts to promote China's ship exports.

Pao is in China to attend the delivery ceremony for the company's 27,000-ton bulk carrier Wangyuan, also built at Dalian. The guests are leaving for Dalian tomorrow.

#### HONG KONG, SHENZHEN DELEGATIONS HOLD TALKS

OW240827 Hong Kong AFP in English 1249 GMT 23 Mar 82

[Text] Hong Kong, 23 Mar (AFP) -- Official level discussions aimed at closer border links and the carrying out of joint projects between Hong Kong and the southern Chinese frontier municipality of Shenzhen have been held here.

Further talks will be held in Shenzhen next month. In the meantime, joint working groups of experts will begin detailed examination of proposed projects, it was stated by the Hong Kong authorities today.

These include cross border road link, regulation of the Shenzhen River at the Sino-Hong Kong frontier, measures to facilitate the movement of travellers across the border and the establishment of ferry services between Hong Kong and the tourist resorts which the Shenzhen authorities plan to build.

The Shenzhen delegation at the discussions was led by the municipality's secretary-general, Zhen Xipei. The Hong Kong group was headed by the government's political adviser, Robin McLaren.

#### ZHANG WENJIN ENDS AUSTRALIA, NEW ZEALAND VISIT

##### Meeting With Street

OW170816 Beijing XINHUA in English 0806 GMT 17 Mar 82

[Text] Canberra, March 17 (XINHUA) -- Chinese Vice-Foreign Minister Zhang Wenjin called on Australian Minister for Foreign Affairs Anthony Street here today and had a friendly conversation with him.

Zhang Wenjin and his party arrived here on March 14 for the annual round of China-Australia officials talks. Peter Henderson, secretary of the Department of Foreign Affairs, and other Australian officials took part on the Australian side in the two-day talks, which concluded here this morning.

A wide range of subjects of mutual concern was discussed. Both sides found the discussions useful. Lin Ping, Chinese ambassador to Australia, and Hugh Dunn, Australian ambassador to China, also attended the talks.

The Chinese vice-foreign minister and his party are leaving here tomorrow for New Zealand on a two-day official visit to that country.

##### Talks With New Zealand Leaders

OW210850 Beijing XINHUA in English 0820 GMT 21 Mar 82

[Text] Wellington, March 21 (XINHUA) -- Zhang Wenjin, China's vice-minister of foreign affairs, left Auckland for home today after a three-day working visit to New Zealand.

Zhang Wenjin was received by New Zealand Prime Minister Robert D. Muldoon on March 18, and had talks with New Zealand's Acting-Secretary of Ministry of Foreign Affairs H.C. Templeton on the next day. The two diplomats reviewed the relations between the two countries and exchanged views on issues of mutual interest.



FRG BANKERS VISIT, OPEN REPRESENTATIVE OFFICE

## Inauguration of Office

OW151708 Beijing XINHUA in English 1525 GMT 15 Mar 82

[Text] Beijing, March 15 (XINHUA) -- A cocktail reception marking the opening of the Beijing representative office of the Dresdner Bank was held here tonight.

Chairman of the bank's board of managing directors Dr. Hans Friderichs played host at the reception. He and acting chairman of the board of directors of the Bank of China, Chang Yanqing, proposed toasts, wishing continuous growth of friendly cooperation between the two banks.

The reception was attended by several hundred Chinese and foreign financiers and economists.

## Meeting With Gu Mu

OW161431 Beijing XINHUA in English 1303 GMT 16 Mar 82

[Text] Beijing, March 16 (XINHUA) -- Vice-Premier Gu Mu met here today with a group of bankers from the Federal Republic of Germany led by Dr. Hans Friderichs, chairman of the board of managing directors of the Dresdner Bank.

Gu Mu extended congratulations on the inauguration of the bank's Beijing representative office yesterday. Dr. Friderichs replied that the set-up of the representative office is yet another symbol of good cooperation between the bank and the Chinese side. Vice-Premier Gu Mu pointed out that trade and economic cooperation between China and the Federal Republic of Germany have been going on very well and there are broad prospects for future development.

Present at the meeting was Chang Yanqing, acting chairman of the board of directors of the Bank of China.

Earlier today, Dr. Friderichs outlined the development of the bank's business at a press conference.

JI PENGFEI MEETS DUTCH COMMUNIST PARTY OFFICIAL

OW181828 Beijing XINHUA in English 1503 GMT 18 Mar 82

[Text] Beijing, March 18 (XINHUA) -- The Central Committee of the Communist Party today invited Henk Hoekstra, president of the Central Committee of the Communist Party of the Netherlands, to visit China at a time convenient to him.

The invitation was made by Ji Pengfei, Chinese vice-premier and head of the International Liaison Department of the CCP Central Committee, this evening in a meeting with Joop Wolff, member of the Political Bureau of the Central Committee of the C.P. of the Netherlands, and Mrs. Wolff. Wolff accepted on behalf of Hoekstra.

The Wolffs arrived March 4 and have had talks with leaders of the International Liaison Department of the CCP Central Committee on the international and domestic situations and on promotion of bilateral relations between the two parties. The Wolffs have toured Beijing and Tian.

Today's meeting was in the Great Hall of the People. After the meeting, Ji Pengfei hosted a dinner for the guests. Wu Xueqian and Feng Xuan, deputy heads of the International Liaison Department of the CCP Central Committee, attended the meeting and dinner.

VICE PREMIER KANG SHIEN MEETS NORWEGIAN VISITOR

OW211235 Beijing XINHUA in English 1216 GMT 21 Mar 82

[Text] Beijing, March 21 (XINHUA) -- Chinese Vice-Premier Kang Shien met here today with Hans Henrik Ramm, secretary of state in the Ministry of Petroleum and Energy of Norway, and his party.

The vice-premier expressed satisfaction with Sino-Norwegian cooperation in the fields of industry and science and technology, especially energy. The progress of the exploitation of China's offshore oil will offer a wide area of cooperation between the two countries, he said.

Among those present were Zhang Wenbin, Chinese vice-minister of petroleum industry, and (Jan G. Joelle), charge d'affaires ad interim of the Norwegian Embassy in Beijing.

HUANG HUA MEETS WITH FINLAND'S TUOVINEN

OW251545 Beijing XINHUA in English 1528 GMT 25 Mar 82

[Text] Beijing, March 25 (XINHUA) -- "Sino-Finnish relations have always been friendly," Chinese Vice-Premier and Foreign Minister Huang Hua said here this afternoon.

"We've always respected and supported the positive policy of peace, neutrality and good-neighborliness set by Finland in accordance with its own environment," he said at a meeting with M. Tuovinen, state secretary of the Ministry of Foreign Affairs of Finland, and his party.

"We have common interests in safeguarding world peace. The Chinese Government has always supported the just struggle of the people of various nations for independence and self-determination and against foreign aggression," he said.

Tuovinen said: "Finnish-Chinese relations have been developing well since the establishment of diplomatic relations between the two countries, and we hope to increase contacts between us."

Present at the meeting was Pentti Suomela, Finnish ambassador to China. Tuovinen arrived yesterday. He had talks this morning with Zhang Canming, vice-minister of foreign affairs. They exchanged views on the current international situation and on furthering friendly relations between the two countries.

FILM EXCHANGE AGREEMENT SIGNED WITH FRANCE

OW231709 Beijing XINHUA in English 1545 GMT 23 Mar 82

[Text] Paris, March 22 (XINHUA) -- China and France have agreed to exchange film exhibitions, the Chinese Embassy in Paris and the French Foreign Ministry announced today.

Under the agreement, a Chinese film exhibition, including silent films, will be shown in Paris and other departments in France in 1983. Arrangements for the exhibition will be made jointly by the Chinese Film-Library, the French Film-Library and the Georges Pompidou National Art and Culture Centre.

In addition, an exhibition of 50 Chinese films on the development of Chinese cinema will be shown in Paris in June. An exhibition of French films will be held in Beijing and some provinces in China in the fall of 1983.

The agreement was signed by visiting Chinese Vice-Minister of Culture Chen Huanmei and French Director General of Cultural, Scientific and Technical Relations Jacques Thibau.

PRC, HUNGARY SIGN AGREEMENT; CHEN MUHUA PRESENT

OW261554 Beijing XINHUA in English 1536 GMT 26 Mar 82

[Text] Beijing, March 26 (XINHUA) -- A goods exchange and payment agreement between China and Hungary for 1982 was signed here this afternoon. Chen Jie, deputy to the minister of foreign economic relations and trade, and Ambrus Janos, leader of the Hungarian Government trade delegation and vice-minister of foreign trade, signed the agreement on behalf of their respective governments.

Chen Muhua, vice-premier and minister of foreign economic relations and trade, attended the signing ceremony and met the Hungarian delegation prior to the signing.

CHEN MUHUA MEETS ROMANIAN AGRICULTURE DELEGATION

OW241531 Beijing XINHUA in English 1523 GMT 24 Mar 82

[Text] Beijing, March 24 (XINHUA) -- Chen Muhua, vice-premier and minister of foreign economic relations and trade, met at Zhongnanhai this afternoon with the visiting Romanian agricultural delegation led by Adrian Rogojeanu, vice-minister of agriculture and food industry. In their conversation, they briefed each other on agricultural production in their own countries, and expressed the desire to learn from each other and strengthen their cooperation in agriculture.

Present at the meeting were Chinese Vice-Minister of Agriculture Du Ziduan and Romanian Ambassador to China Florea Dumitrescu.

The Romanian delegation arrived in China March 15. In Beijing, Vice-Minister Du had talks with Vice-Minister Rogojeanu. They recalled the economic and technical cooperation in agriculture between the two countries and discussed the possibility of expanding such cooperation in future. The delegation will soon leave Beijing for home.

ROMANIAN WOMEN'S DELEGATION ARRIVES IN BEIJING

OW310014 Beijing XINHUA in English 1317 GMT 30 Mar 82

[Text] Beijing, March 30 (XINHUA) -- Luo Qiong, vice-president of the All-China Women's Federation, this evening met and feted a Romanian women's delegation led by Olimpia Solomonescu, vice-chairman of the National Women's Council. Romanian Ambassador to China Florea Dumitrescu and Mrs Dumitrescu were among the guests.

The delegation arrived in Beijing yesterday for a visit to China at the invitation of the All-China Women's Federation.

Meeting With Kang Keqing

OW010921 Beijing XINHUA in English 0814 GMT 1 Apr 82

[Text] Beijing, April 1 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the All-China Women's Federation, met and had a conversation here this afternoon with a Romanian women's delegation led by Olimpia Solomonescu, vice-chairman of the National Women's Council. After the meeting, Luo Qiong, vice-president of the All-China Women's Federation, and the Romanian guests exchanged experience in women's work. Present for both occasions was Mrs. Dumitrescu, wife of the Romanian ambassador to China.

BEIJING RALLY COMMEMORATES ROMANIAN DIPLOMAT

OW010831 Beijing XINHUA in English 0816 GMT 1 Apr 82

[Excerpts] Beijing, April 1 (XINHUA) -- A rally to commemorate the 100th anniversary of the birth of Nicolae Titulescu (1882-1941), Romanian patriotic diplomat, was held here today. During the First and the Second World Wars, Titulescu served as Romanian foreign minister and president of the League of Nations. He also spoke on behalf of Romania in many important international meetings held in Europe.

The rally was jointly sponsored by the Chinese People's Association for Friendship With Foreign Countries and the China-Romania Friendship Association. Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, and Florea Dumitrescu, Romanian ambassador to China, delivered speeches at the rally. They praised Titulescu for his outstanding contributions to the Romanian people and to the progress of mankind in upholding justice and safeguarding peace. Referring to Sino-Romanian friendship, Wang Bingnan said: "Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of the Socialist Republic of Romania, will pay an official friendship visit to China soon. I am sure that this visit will help develop Sino-Romanian friendship."

Present at the rally were more than 300 people including Zhong Xidong, vice-minister of foreign affairs; Chu Tunan, vice-president of the Chinese People's Association for Friendship With Foreign Countries; Xie Bangding, leading member of the China-Romania Friendship Association; and Lai Yali, vice-president of the Chinese People's Institute of Foreign Affairs. Also present were officials of the Romanian Embassy here and other Romanians in Beijing.

Before the rally, hosts and guests viewed an exhibition of more than 80 photographs that depict Titulescu's life and Romania's foreign relations with other countries.

#### PRC, SFRY SIGN SPORTS COOPERATION EXCHANGE PLAN

OW201718 Beijing XINHUA in English 1213 GMT 20 Mar 82

[Text] Beijing, March 20 (XINHUA) -- A plan for cooperation and technical exchange in sports during 1982 between China and Yugoslavia was signed here this morning. The plan was signed by Lu Jindong, vice-minister in charge of the State Physical Culture and Sports Commission of China, and Mirko Ostojic, Yugoslavian ambassador to China.

Under the plan, the two countries this year will exchange track and field, judo, basketball, volleyball, diving and chess teams and will launch cooperative training programs in handball and water polo events.

DELEGATION AT TRIPOLI TRADE UNION CONFERENCE

## Trade Union Conference Opens

OW251704 Beijing XINHUA in English 1633 GMT 25 Mar 82

[Excerpt] Tripoli, March 25 (XINHUA) -- Delegations from more than 60 countries Wednesday attended the opening session of the international trade union conference of solidarity with the workers and people of Palestine, South Africa and Namibia in Tripoli. The conference was jointly sponsored by the International Confederation of Arab Trade Unions, the Organization of African Trade Union Unity and the General Federation of Producers of Arab Libya. Representatives from China, Latin American countries and other international and regional trade unions also attended the conference.

## PRC Representative Speaks

OW291604 Beijing XINHUA in English 1502 GMT 29 Mar 82

[Excerpts] Tripoli, March 28 (XINHUA) -- The Israeli and South African regimes were vehemently condemned here in recent days for their expansionist aggression and racist policies at the plenary session of the international conference of trade unions in solidarity with the peoples and workers of Palestine, Namibia and South Africa. Representatives from more than 90 trade union organizations attended the conference.

Representative of the All-China Federation of Trade Unions Qian Dadong strongly condemned Israel's expansionist crimes of aggression and the superpowers' contention and expansion in the Middle East at the expense of the interests of Palestinian and Arab workers and people. He pointed out: "China has persisted in withholding political, economic or cultural relations with South Africa and resolutely supported the African countries and people for their reasonable stand and just demand for imposing sanctions and arms embargo against South Africa." Qian Dadong said: "The Chinese workers and people will continue to support the struggle waged by the Libyan workers and people to safeguard their national independence and state sovereignty and to develop their national economy."

Many delegates also condemned the United States for its support to Israel and South Africa, and for its recent acts against Libya.

## Delegation Meets Al-Qadhdhafi

OW010316 Beijing XINHUA in English 0239 GMT 1 Apr 82

[Text] Benghazi, Libya, April 1 (XINHUA) -- Libyan leader Col Mu'ammarr al-Qadhdhafi received here Wednesday the delegation of the All-China Federation of Trade Unions headed by Qian Dadong and had a friendly conversation with them. Col al-Qadhdhafi told the Chinese guests: "Libya attaches great importance to China," which he said, "is an effective Third World force in world affairs." Col al-Qadhdhafi stressed the necessity of strengthening the friendly and cooperative relations between the two countries.

The Chinese delegation leader Qian Dadong thanked the Libyan people for their hospitality and expressed the wish that the friendly relations between the two countries would further develop. The Chinese delegation is here after attending the international conference of trade unions in solidarity with the workers and people of Palestine, Namibia, South Africa and the Libyan Jamahiriya. The conference ended in Tripoli on March 27th.



NEW MEXICAN ENVOY PRESENTS CREDENTIALS TO ULANHU

OW221222 Beijing XINHUA in English 1215 GMT 22 Mar 82

[Text] Beijing, March 22 (XINHUA) -- Eugenio Anguiano Roch, newly-appointed ambassador extraordinary to the People's Republic of China, today presented his credentials to Ulanhu, vice-chairman of the Standing Committee of the National People's Congress. Pu Shouchang, Chinese vice-minister of foreign affairs, was present on the occasion.

Meets Huang Hua

OW311217 Beijing XINHUA in English 1204 GMT 31 Mar 82

[Text] Beijing, March 31 (XINHUA) -- Huang Hua, vice-premier of the State Council and minister of foreign affairs, today met with Eugenio Anguiano Roch, new Mexican ambassador to China. During the meeting, Vice-Premier Huang warmly welcomed Anguiano upon his return to China as Mexican ambassador. He served as the first Mexican ambassador to China between 1972 and 1976.

Huang gave an account of China's situation beginning from 1976 when Anguiano left his post in China. Ambassador Anguiano said he hoped that he could make continuous efforts to strengthen friendly relations and cooperation between Mexico and China.

MASS RALLY IN NICARAGUA SCORES UNITED STATES

OW291233 Beijing XINHUA in English 1224 GMT 29 Mar 82

[Text] Beijing, March 29 (XINHUA) -- About 20,000 people Sunday gathered in the Revolution Plaza of Managua, capital of Nicaragua, to condemn the United States intervention in Central American and Caribbean states, according to reports from Managua. The demonstration was called by several public organizations of the country, the reports said. Banners adorned the square, one reading, "death to imperialism."

Nicaraguan Interior Minister Tomas Borge told the rally that Nicaragua is "ready for negotiations" with the United States but also is ready to fight. Borge said the U.S. should not "interfere" in the home affairs of "Central American" countries.

At a meeting of the United Nations Security Council on Thursday, Nicaraguan junta coordinator Daniel Ortega accused the U.S. of invasion and subversion threats against Nicaragua. Meanwhile he said his government was ready to begin direct and frank talks with the United States. The U.S. representative at the same U.N. meeting denied any U.S. aggression against Nicaragua and intervention in El Salvador.

RENMIN RIBAO VIEWS CENTRAL AMERICAN SITUATION

HK301014 Beijing RENMIN RIBAO in Chinese 28 Mar 82 p 6

["International Jottings" by Mo Ming [5459 6900]: "How To Solve the Problem"]

[Text] Recently a U.S. diplomat accredited to Central America analyzed and summed up the situation there in this way: 1). This crisis is an "East-West conflict" of a strategic and military nature and one side of this conflict is the Soviet Union and Cuba. 2). This crisis is a "North-South conflict" of an economic nature. Industrialized countries are reaping unfair profits from the cheap raw materials in Central America and the Caribbean. 3). This crisis is also an "internal conflict" of a social and political nature. For decades, these places have been under the rule of ruthless governments, military dictatorships or despotic governments.

If this international issue is compared to a complicated mathematical problem, this diplomat's approach to a "solution" is closer to being correct than those of other Americans. However, making use of right angle coordinates in three-dimensional space helps plot the location of a certain point, but it does not mean that the point has already been plotted. Similarly this diplomat has drawn three "axes" which help understand the nature of the Central American issue but it does not mean that its nature has already been accurately

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grasped or correct measures have been put forward to settle the issue. The key to a correct solution is the three "coordinates" for locating the "point." We must be aware that they are evidently not the same.

WEI GUOQING FETES PERUVIAN PARTY DELEGATION

OW271655 Beijing XINHUA in English 1636 GMT 27 Mar 82

[Text] Beijing, March 27 (XINHUA) -- A delegation from the Popular Action Party of Peru led by Gaston Acurio Velarde, deputy general secretary of the party and vice-president of the Senate, were guests of honor here this evening at a banquet hosted by Wei Guoqing, member of the Political Bureau of the Chinese Communist Party Central Committee.

In his toast, Wei Guoqing, who is also vice-chairman of the National People's Congress Standing Committee, warmly welcomed the Peruvian guests on behalf of the C.P.C. Central Committee and the Chinese people. He said China and Peru are both Third World countries and the Chinese Communist Party and Peruvian Popular Action Party attach importance to drawing on from the tradition and wisdom of their peoples and building their countries in the light of actual conditions. "Though we have different social systems and ideologies," he said, "it will not prevent us from establishing and developing friendly relations."

Vice-Chairman Wei said, "the Chinese Communist Party is ready to establish and develop relations with all political parties in the world which uphold national independence, work for social progress and safeguard world peace, and want to forge friendship with us, on the basis of the principles of full independence, equality, mutual respect and non-interference in each other's internal affairs." The vice-chairman praised Peru's positive efforts in international affairs. He said, "the Peruvian people have a glorious tradition of fighting against foreign aggression and oppression." He said Peru has stood for respect of state sovereignty and territorial integrity of all countries, adhered to the position of the Third World and founding principle of non-alignment, opposed aggression and interference into internal affairs of other countries, and contributed to the defense of world peace.

Acurio said "Peru and China have many things in common. China has committed itself to improving the welfare of the people. This has enabled us to forge friendship ties with the Chinese Communist Party. We will also develop our relations with all the parties that safeguard economic and social independence and preserve world peace."

Acurio highly praised the contributions China has made towards safeguarding world peace. He said, "China is standing side by side with all the nations who refuse to submit to the superpowers. Superpowers always put themselves at a position of hegemonists. The industrially developed countries are different from the Third World countries." "The Third World countries have their unique strong points in the course for national unity and development even though they have their specific problems. No countries whatsoever in the world that are concerned about their own survival and social prospect can ignore the existence of China. Without support from China, there'll be no peace, and peace is essential to the prospects of the peoples of various countries."

Acurio said that his current visit to China will help strengthen the friendship between the Peruvian Popular Action Party and the Chinese Communist Party.

Present at the banquet were Zhang Zhixiang, adviser to the International Liaison Department of the C.P.C. Central Committee; Wang Zhaohua, deputy head of the Organization Department of the C.P.C. Central Committee; Xin Yimin, deputy secretary-general of the Standing Committee of the National People's Congress; and Zhang Jiexun, member of the secretariat of the All-China Women's Federation. Juan Alayza Rospigliosi, Peruvian ambassador to China, was also present.

The Peruvian guests arrived here yesterday evening at the invitation of the International Liaison Department of the C.P.C. Central Committee. Zhang Zhixiang held talks this afternoon with the Peruvian delegation.

ZHAO ZIYANG SPEECH AT INDUSTRY CONFERENCE

OW301055 Beijing XINHUA Domestic Service in Chinese 0709 GMT 30 Mar 82

[Report delivered by Premier Zhao Ziyang at the national industrial and communications work conference in Tianjin on 4 March: "Several Questions on the Current Economic Work;" originally published in HONGQI No 7 1982 and reprinted in 30 March RENMIN RIBAO]

[Text] Beijing, 30 Mar (XINHUA) -- The current national conference of industry and communications has discussed and studied measures for such issues as improving the economic results and doing a good job in this year's industrial production, communications and transport. Experiences in this regard have also been exchanged. According to everybody's view, the meeting is a successful one as it is held at an early date and it has a clear and definite guiding thought and a prominent central theme. Everybody maintains that this meeting will give a great impetus to this year's industrial and communications work. Now I would like to talk about the following questions:

## I. On the Question of Raising Economic Results

On the basis of last year's remarkable achievements, our country has made further progress in industrial production since the beginning of this year. Judging from the results of January and February, the trend in production is good, and it is completely possible to fulfill this year's target of ensuring a 4-percent increase and striving for a 5-percent increase in total industrial output over last year. What we are afraid of this year is not about the problem of growth rate but about the failure to pay attention to economic results. It has been reported that there are still many cases of raising the quotas of output value at each level. While presenting the target of ensuring a 4-percent increase and striving for a 5-percent increase, the central authorities have already taken into consideration the speed of growth planned by various provinces and have incorporated this factor in the state's unified plan. However, certain localities and departments, while handing down the quotas, have raised the quotas at each level regardless of possibilities. Everybody wants to achieve a greater output value and speed up the growth. This is beyond reproach. During the period of readjustment, our country's national economic development must maintain a steady speed and we must not think that the slower the speed, the better. The issue is: We must unify speed with results. We must strive to attain the goal of having good results as well as a rapid increase in output value. It is certainly a good thing if such speed can be further accelerated; but if we only pursue output value and pay no attention to results, such a "speed" will do us more harm than good. Rather we should work in a down-to-earth manner so that our work will not be hindered by our seeking false reputation.

The main problem now is not negligence of output value, but negligence of results. Certain localities and units have made much greater efforts to increase output value than to raise economic results, or they have only verbally claimed to raise economic results but have taken no practical and effective measures to attain the goal. The State Council maintains that it is necessary to emphasize correcting the guiding thought in industrial production. This is to say that we must stress economic results and a solid, not inflated, speed. This issue of having a correct guiding thought applies not only in industrial production, but also in capital construction, circulation and other fields of the national economy.

For a long period, we ignored benefits in blind pursuit of increased output in industrial production and did a great many foolish things. In the years after 1958 and during the "Great Cultural Revolution," the output figures were considerably inflated and waste was quite serious. The lessons in this respect are very profound. This problem continued after the smashing of the gang of four. Although last year the figures were less inflated than in the past, many localities reported sharp increases in output values during the fourth quarter. This also caused some problems. Various provinces should figure out the extent of exaggerations in their growth rates in order to be sober-minded. Blind pursuit of increased output will necessarily result in the stockpiling of large quantities of goods. According to the data of the State Statistical Bureau, 58 major products were excessively stocked by commercial departments at the end of 1981.



Output increase of certain products may be advantageous from the view of the part, but the result may be completely opposite if seen from the whole. For example, in east and northeast China where energy was already in short supply, some localities greatly over-produced for export ferroalloy and other products that consume large amounts of energy. This forced the east and northeast China power systems to generate more electricity than their capacity, or "eat their corn in the blade," as the saying goes, in order to meet the power and energy requirements. Such practices, if continued, will not only aggravate the dislocation but will also result in the recurrence of the past phenomena when "industry reported good news, commerce reported bad news, warehouses became overstocked and the financial revenue was zero." In the end, the banks were asked to issue notes to cover the deficits and the state and people suffered from it.

If it was inevitable for us to do some foolish things in the past because of our lack of experience, we should have learned from them and become wiser. We must not repeat those foolish things of the past. Comrade Xiaoping has pointed out that to pay attention to economic benefits is an extremely important policy in all work. We should tap our potential and quicken our pace in raising the economic benefits. Last year at the Fourth Session of the Fifth NPC, the State Council put forth 10 principles for economic construction. The key point of these principles is to raise the economic benefits. Now that the NPC has approved these principles, we must fulfill them by our actions; they must not remain just words. This year we must have a major change and open up a new phase in raising economic benefits.

When we talk about economic results, it is first of all necessary to make clear one main point, that is, that we should spend as little living labor [huo lao dong 3172 0525 0520] and as few materials as possible to produce still more products that meet society's needs. The first part of this sentence means that it is necessary to be as economical as possible and to reduce as much as possible the expenditure of living labor and materials. The second part of the sentence means that it is necessary to create more property for society, the key here being that the products must "meet the needs of society." It is not sufficient just to talk about producing more products, since that would not affect economic results. If the products are not what society needs, then the more we produce of them, the greater waste there will be. Therefore, the products we produce, including their quality, color, design and quantity, must meet the needs of society and be readily marketable. These needs are realistic and coincide with the actual level of investment and purchasing power. Society's needs are many-sided; they include the production needs and consumption needs and consist of demands in both of these two major categories. These needs change continuously with the development of production and construction and the improvement of the people's livelihood; there are different needs for different stages and each individual locality has its special needs. Whether we produce medium and high-grade products or popular goods of defendable quality, we should always meet the needs of society. Only when the products meet the needs of society can the labor expended for these products win society's approval and can we have valuable and useful products instead of having wasted labor and useless articles. Our plans should proceed from the overall situation and take into account the future and the past; they should reflect as accurately as possible society's demands and meet the needs in the development of society. Only thus can we enable the national economy to develop in coordination with plans and in a proportional manner. If the products do not meet society's needs and are not readily marketable, there can be no proportionate and coordinated development. In our economic work in the past, what we neglected was exactly this fundamental point; consequently many problems arose. Producing more products that meet the needs of society with the expenditure of as little living labor and as few materials as possible is precisely what basic socialist economic law demands, and what the law of developing the national economy according to plans and in a proportional manner calls for. A socialist country should study the needs of society well and continually satisfy the needs of society; this is the aim we communists strive for. This guiding ideology must be firmly established. In handling economic work, the whole party should concentrate its efforts on saving as much living labor and as many materials as possible and on meeting the needs of society. It should make efforts to find new ways of raising economic results.

The question of raising economic results involves various aspects and is a considerably difficult question. As to why it is not easy to succeed in meeting the needs of society, there are two main reasons: One is limited understanding. Society's needs cannot be seen clearly at once, and it is especially difficult to see them clearly beforehand. It is usually when commodities go out of stock in the markets that their shortages are noticed, and it is usually when the warehouses are filled with stockpiled commodities that their excessive quantities are discovered. This demands timely understanding of the needs of society, understanding of market changes and trends, and improvement and enhancement of the level of planning work. The other reason concerns the question of interest relations. We should ascribe definite interests to enterprises and recognize and take care of the definite interests of localities. Failing to recognize such interests will result in eating "in the same canteen as everyone else," in which situation anyone can become irresponsible. When definite interests are ascribed to them, it will be easy for departments, localities and enterprises to determine their economic activities according to their interests. Some of the policy decisions of departments, localities and enterprises meet the needs of society, but others run counter to these needs. Although some products may not meet the needs of society, their production is carried on as usual; the plants share profits as usual; the localities receive a greater percentage of the profits and the commercial and supplies departments do not have to worry about overstocking of these products in the warehouses after their purchases because in the end they are completely taken care of by state finance. Consequently, falsehoods about output value continue protractedly without ever being resolved. Therefore, fundamentally, besides the demand that enterprises improve their business management and raise their scientific and technological level, raising economic results involves the questions of economic systems and economic structures and depends on the readjustment of economic structures and the reform of economic systems; there is no other way out. However, we cannot just wait and hold off our actions until the economic systems have been reformed and the economic structures have been readjusted. To solve this problem under the present situation in which system, structures and prices are all irrational, it is necessary to bring into full play the role of the leadership, namely, by strengthening guidance in planning and administrative intervention and strengthening supervision and inspection.

An important task of the planning and economic commissions at various levels is to find out the extent of stockpiling, make a concrete analysis and seriously deal with it. If the products are needed by society but are stockpiled due to problems in the circulation of commodities, efforts should be made to actively strengthen marketing work and especially to open up rural markets or, in some cases, international markets. If the products are clearly not needed by society and are in the category of impractical goods from the view of the whole, administrative and economic measures should be applied. In such cases, administrative intervention should be firmly made without any fear of giving offense. If certain products are indeed overproduced, their production should be restricted. If certain products are temporarily in short supply, there is no need for us to rush headlong into producing them all at the same time. In stressing economic benefits, we should not only keep sight of the immediate benefits and the benefits to the part, but more important, we should not lose sight of the long-term benefits and the benefits to the whole. To make products meet society's needs -- in addition to readjusting plans in a timely manner in light of market changes and intervening administratively and applying economic measures -- it is necessary to strengthen market forecasting and improve planning work. At the same time, it is necessary to formulate and publish the economic and technical criteria for products and the criteria for factory construction as quickly as possible and strictly enforce this criteria in order to stop blind factory construction and blind production.

Bringing economic work to the path of raising economic benefits is the key to achieving a fundamental improvement of the financial and economic situation. We should spare no efforts to produce results in this regard. This is a new task for the vast number of cadres and workers on the economic front. It is also a new test for us all.

In the current industrial and communications work, the people's concern, as reflected in their reports, is concentrated mainly on energy and transportation issues. I will make three points: First, the Coal, Railway and Communications Ministries should make further efforts in carrying out the production, allocation and shipment of coal. Coal production was not bad in the first 2 months of this year and coal transportation was also good. But the implementation of the allocation plan was rather poor. Earnest measures should be taken to change this situation. Second, all localities should arrange their production in light of the energy supply situation. They should balance their industrial growth rates with the local energy supply, otherwise their goals will fall through. There are at present some localities that set very high targets for themselves and then ask the state to allocate more coal. This cannot be done. Third, energy supply cannot be expected to increase at present. The primary way out is to economize. It is necessary to save energy by every possible means. The energy shortage will not be resolved if we do not work to economize.

## II. On the Question of Adhering to the Principle of Giving Highest Priority to the Planned Economy and Taking the Whole Country and the Overall Situation Into Account

Comrade Chen Yun recently made a series of important instructions on economic work. He once again stressed: Our country must adhere to the principle of giving highest priority to the planned economy with market force playing a subsidiary role. In national construction, the whole country and the overall situation must be taken into account. The fundamental policy that "first we must eat, second we must construct" must be implemented. He also pointed out that the first priority task of the special economic zones is to seriously sum up experiences. These instructions all concern the major questions of principles and policies in economic construction and were put forward in light of the questions existing in our present economic life. They are of great immediate importance. They are in keeping with our economic policy of the recent years that calls for opening up our country externally and enlivening our economy internally.

Since the 3d Plenary Session of the 11th CCP Central Committee, under the unified leadership of the state and the guidance of state planning, we have enforced the policy of opening up our country externally and enlivening our economy internally. Our orientation is correct and our achievements are the main aspect. Without these reforms, we would not have the good situation we do today. This we must first affirm. However, in implementing the policy of opening up our country externally and enlivening the economy internally, we must be sober-minded and adhere to the aforementioned several principles put forward by Comrade Chen Yun, which are also the fundamental principles and policies our party has upheld for years. They must not be forsaken or be weakened.

At present, while keeping sight of our achievements in opening up our country and enlivening our economy we must also be soberly aware that our opening up and enlivening will inevitably bring a number of problems. In this regard, we should have the courage to use the current favorable international and domestic conditions and continue to uphold the policy of opening up our country externally and enlivening our economy internally in order to promote our economic development. We must not waver over the established correct policy. At the same time, we must adequately recognize the problems brought about by this policy. We must not turn a blind eye to them or leave them alone. Today in stressing the need of giving highest priority to the planned economy and taking the whole country and the overall situation into account, our purpose is precisely to keep us sober-minded so that we can adopt measures to prevent the emergence of problems or resolve them if they have already emerged; to correctly and soundly implement the policy of opening up our country externally and enlivening our economy internally; to strengthen the position of planned economy; and to create conditions for further reforming our economic structure.

The purpose of our open-door policy is to introduce into our country foreign advanced technology and administrative knowledge as well as capital, which is useful to us in spurring our country's socialist construction. Because of the open-door policy, certain bad influences from capitalist countries will inevitably find their way into our country. Smuggling, peddling smuggled goods, speculation, swindling, corruption and accepting bribes have become rampant in certain localities and units; the capitalist living style and decadent ideology will corrode our party; certain weak-willed cadres will succumb to "sugar-coated bullets"; and our party members' work style and the people's habits may be contaminated.

Our party, on several occasions in the past, when it carried out important new policies and faced new historical turning points, raised the issue that it was necessary to guard against capitalist inroads. One example was during KMT-CCP cooperation at the initial period of the war to resist Japanese aggression. The main problem needing to be resolved in those days was to combat factionalism and closed-doorism and open a new situation for the united front. At the same time, the party Central Committee explicitly pointed out that the CCP must maintain its ideological, political and organizational independence, adhere to the stand of acting independently and, keeping the initiative in our own hands, guard against problems generating from within our party. We did a very good job at that time. We took advantage of the favorable situation and, greatly expanding our strength, created a new situation. Instead of being corroded, our party became stronger.

The second example was after victory in the liberation war. After acquiring national political power, our party members entered the cities from the rural areas and faced a dazzling world of humanity with its myriad temptations. In those days, the party Central Committee and Comrade Mao Zedong quickly reminded the whole party that it was necessary to guard against the attack of "sugar-coated bullets." Later, movements against the three and five evils were carried out. In those days, our party's political, ideological and organizational situation was very sound and we withstood the test.

Now we are taking advantage of the favorable international and domestic situation and are carrying out the policy of opening our doors to foreign countries and enlivening the economy at home, and we are facing another rigorous test. This time our party is confronting a much greater and more serious influence from decadent capitalist ideology at home and abroad, particularly the influence of international capitalism, than on the previous two occasions. Moreover, after a decade of turmoil, our party's fine traditions and work style have been impaired. Therefore, during this new historical period, it is all the more necessary to quickly alert all party members to the questions of capitalist inroads. By sounding this alarm we hope we can help our party members come to their senses, heighten their spirit and strengthen their will to withstand the test.

Today, smuggling, peddling smuggled goods, speculation, swindling, corruption, accepting bribes and other crimes in the economic sphere are much more serious than during the movements to oppose the three and five evils in 1952. The inroads of such crimes on our party organizations and cadres' contingents and their pernicious influence on the entire society are quite serious. This situation, if not struggled against immediately with determination, will develop from bad to worse in certain localities and will be unstoppable in 2 or 3 years. This is a prominent expression of the inroads of capitalist ideology under the new historical conditions -- conditions of externally carrying out an open-door policy and internally enlivening the economy -- and our struggle against all sorts of crimes in the economic sphere, is an important part in our allout struggle against capitalist inroads. This struggle is inevitable and is a protracted one. Just as Comrade Hu Yaobang pointed out: This is an extremely vital issue, which has an important bearing on our party's survival and on our country's prosperity or decline.

We must be fully aware of the seriousness, harmful effects and danger of the various crimes in the economic sphere and raise our consciousness of waging this struggle properly. If we fail to resolutely and powerfully strike at such crimes as smuggling, peddling smuggled goods, speculation, swindling, corruption and accepting bribes, not only will our building of a material civilization be seriously undermined, the building of a spiritual civilization will simply fail.



Now the activities of rebuffing economic crimes are going on simultaneously with the "courtesy month" activities and the masses have acclaimed these activities and said our country is hopeful. All units on the economic front must resolutely carry out this struggle through to the end. By no means should they act perfunctorily or superficially.

Of course, when we carry out this struggle we will not resort to the method of handling legal cases and exert special efforts to deal with major cases. This struggle will be carried out along with the overall reorganization of our enterprises and the general examination of financial affairs. We must, through reorganization and examination, find the clues, strengthen investigation and track down and seriously handle the problems so as to strike at the criminals and educate our cadres. At the same time, we must establish and improve various rules and regulations and plug loopholes so that the criminals will not be able to avail themselves of them. Doing this will spur our efforts to improve management, economic accounting and economic results.

Another conspicuous problem is the recent growth of the trend toward departmentalism, decentralism and liberalism in the economic sphere. This is another major problem which has cropped up under the new historical conditions. We have domestically implemented the policy of activating our economy, delegated some powers to the local authorities and enlarged the enterprises' decisionmaking powers for the purposes of whipping up the enthusiasm of the local authorities, the various departments and enterprises and the masses, turning human talents and land and other material resources to good account and vigorously developing China's national economy. Efforts to expand decisionmaking powers and activate the economy are also apt to foster the trend toward departmentalism, decentralism and liberalism, to weaken and depart from the state's unified plan, to interfere with and break up the unified market of socialism and to affect our efforts to take the whole country and the overall situation into consideration. Instead of surveying and dealing with problems on the basis of the overall interests of the state, some localities and units take into account the local as well as their own interests. In dealing with the higher level, they disobey the unified plans of the state and seek private gain at public expense. In dealing with the units and other localities concerned, they shift their troubles onto others and harm others to benefit themselves. In conducting foreign trade, they refuse to implement the policy of unifying as one and joining efforts to deal with foreign countries, and jostle against each other. As a result, the foreign countries reap the benefits. There are presently still many signs of people carrying out construction and production blindly in disregard of the needs in society as well as the overall and long-term interests of the state. In some localities, the tasks for state monopoly and compulsory purchase have been shirked. Economic blockade between one district and another is fairly serious. There are many examples in this respect.

Ours is a unified socialist nation. We must have a unified plan and unified domestic market. We must not allow one market for one province. If this practice is permitted, its political and economic consequences to our nation will be unimaginable. Also, for example, in the field of foreign trade, there is evidence of various districts, departments and enterprises vying with each other in cutting prices and counteracting each other's efforts. This has caused considerable damage already. The result is that by counteracting each other's efforts, the local authorities and enterprises reap some small benefits while the state suffers a great deal.

In order to strengthen centralization and unification in economic work, we must adhere to the overall plan on major issues while allowing freedom on minor issues. We must advocate centralism on major issues while allowing decentralism on minor issues. We must also correctly handle the relations between the practice of taking the whole country and the overall situation into account and the practice of whipping up local enthusiasm. The state must interfere with these erroneous practices and issue orders to eliminate them. It must not allow each one to pursue his own course.

1. In foreign trade, we must adhere to the policy of unifying as one and joining our efforts in dealing with foreign countries.

After expanding the powers of the local authorities and various departments in conducting foreign trade, we must resolutely adopt effective measures to eliminate the erroneous practice of vying with each other in dealing with foreign countries and in cutting prices. In foreign trade, it is necessary to appropriately expand the powers of the local authorities. However, at the same time, we must thoroughly solve the problem of selling products of the same category abroad in a unified manner. With a main port as a center, we must form a joint administration in exporting products of the same category in order to strengthen our coordination and management.

After the powers in foreign trade are expanded according to district, the nine coastal provinces and municipalities in particular must exert still greater efforts in strengthening their unity in selling the products of the same category abroad, and thoroughly prevent each of them from forming an individual system in foreign trade so as to avoid disrupting their traditional and historical relations in coordination. The departments concerned must formulate necessary measures to strengthen coordination and unity with the support of central cities and main ports.

2. The products to be transferred according to state plans, including farm and sideline products, must be transferred strictly according to such plans. No one is allowed to retain them for his own use or to utilize them as a means of cooperation with others or to sell them at a negotiated price.

3. We must resolutely correct the practice of enforcing economic blockade between one district and another. Except for those to be allotted or delivered according to state plans, all products which have met the standards set by the state and those products produced in accordance with state plans are permitted to be marketed throughout the country. The enterprises are authorized to select and purchase the products themselves. The party and government organs in various localities must not interfere with the enterprises. If they do, the enterprises have the right to resist such interference.

It is necessary to care for old base areas, the regions inhabited by minority people and remote areas. It is necessary to provide technology and equipment to help these areas turn out products suited for local production and achieve even greater economic development.

4. The commodity price and revenue system must be centralized and unified. Without the approval of the State Council, no locality, department or unit is allowed to change a tariff rate or reduce or increase taxes. Without the approval of the State Council, the price of any product within the limits of state commodity price control must not be increased or decreased.

Comrade Chen Yun said: The task of top priority in the special economic zones at present is to summarize experience. I think the question of earnestly summarizing experience not only prevails in the special economic zones or in the two provinces of Guangdong and Fujian, but also in the whole country. All these reforms aimed at activating the economy at home and those reforms within the foreign trade system must be reviewed and summarized to help us remain sober-minded and thoroughly solve the problems which have cropped up so that the reforms within the economic system will be healthily and extensively developed. For example, we must advocate the expansion of the enterprises' decisionmaking powers and the implementation of the economic responsibility system.

However, we are indeed faced with the question of how to divide profits. We must carefully study how to take into account the interests of the state, the collective and the individuals simultaneously and to determine the share belonging to the state, to the enterprises and to the individuals as well as the most appropriate form of distribution. After the expansion of the enterprises' decisionmaking powers, we must also strengthen the management and supervision over such enterprises accordingly. To let the local authorities adequately share some powers is necessary. However, we must study how to avoid setting up economic blockades between one locality and another, and keep from following the trends of departmentalism and decentralism that may possibly prevail and how to prevent such trends from affecting the necessary practice of centralism and unification in China's economic work and to keep them from influencing the country as a whole.

On the one hand, the foreign trade departments must pay attention to bringing into full play the enthusiasm of the units at all levels. On the other hand, they must also prevent themselves from competing against and undermining each other in front of foreign businessmen. In this respect, we must also earnestly sum up our experience. In short, the open-door policy in foreign trade and the policy of enlivening the economy domestically will not change, and the orientation for carrying out reforms remains firm. However, we must pay full attention to existing problems and sum up our experience and lessons. We are doing this precisely because we seek to do a still better job in enforcing reforms from now on.

The tentative plan for reform is:

1. The economic policies that have been put into practice generally will not be changed this year in order to maintain their stability and continuity. As far as the policy on economic benefits is concerned, the practice and level prescribed by the government last year should be generally maintained in terms of economic relationships between the state and the enterprise, and between the state and the enterprise on the one hand, and the individual on the other. However, extreme irrationalities in some individual units should be appropriately readjusted.
2. This year we should also consider what is to be done next year. By summarizing our experiences, we should put forward our views on how to complement, perfect or readjust the implemented policies and measures for next year. There appear to be three situations in this regard, one being that in which policies and measures which are effective and correct in orientation should be upheld. Another situation is that in which some policies and measures are correct in orientation but have side effects. These policies and measures should be continuously carried out if such effects can be eliminated by strengthening management. In this case, it is necessary to strengthen management in order to consolidate and improve the policies and measures. Some policies and measures are basically correct in orientation, but their side effects cannot be eliminated for a fairly long time because management cannot keep up with the situation. In this case, an appropriate readjustment should be made. The third situation is one in which improper policies and measures should be corrected next year. No matter what reform is to be carried out, the general sideline is to combine the strengthening of centralization and unification with the activation of the economy and to bring into full play the initiative of localities, departments, enterprises and people under the guidance of state planning and the principle of taking the whole country into account.
3. It is necessary to work out as soon as possible an overall plan for reforming the economic system so that we shall have a long-term plan for reform.

### III. On the Question of All-Round Consolidation and Readjustment of Enterprises

Efforts must be made to consolidate enterprises in order to achieve better economic results. Otherwise, there would be no foundation for all other work. The party Central Committee and the State Council have clearly defined the purpose and requirements of enterprise consolidation and have laid down explicit principles and policies in this regard. Now I will particularly discuss the following several points:

1. The first group of enterprises selected for consolidation this year should be big- and medium-sized key enterprises with more problems and a great potential and which urgently need to be consolidated. Many in this group should not be good enterprises; enterprises with more problems should be consolidated first. When these enterprises are consolidated well, their economic results will be raised quickly. Some enterprises that have a strong leading body and have done basic work well may carry out their consolidation by themselves or may be consolidated later. In this spirit, the lists of enterprises selected for consolidation in various localities should be adjusted.
2. Special attention should be paid to staffing enterprise leading bodies and reforming the leadership system. Judging from the streamlining of the State Council, the readjustment and strengthening of enterprise leading bodies can be carried out at a faster pace and they can become compact and efficient leading bodies.

When the central administrative structure is streamlined, it will give a tremendous stimulus to enterprises in this regard. Enterprises have many qualified cadres and technicians in their thirties or forties who are well versed in their fields of work and who have both ability and political integrity. A number of them should be selected and promoted to positions in leading bodies so that great progress can be made in having leading bodies consist of revolutionary, well-educated, professionally competent and young cadres. In this way, it will be possible to bring about a noticeable change in this regard. To achieve this purpose, there should be an age limit in selecting and appointing managers and assistant managers of enterprises and directors and deputy directors of factories during the consolidation. Except for such exceptionally big enterprises as the Anshan Iron and Steel Company and such national corporations as the China Shipping Corporation, it is necessary to select as far as possible personnel below age 50 and no older than 55 for managers, assistant managers, factory directors and deputy directors. Party committee secretaries and responsible persons of workers congresses may be a little older but not too old. Some comrades in enterprises who have not reached the retirement age and are still physically fit may go to the second line to serve as staff officers or advisers to do counseling work.

Some comrades have suggested that personnel with an educational level equivalent to that of a college graduate and with practical experiences be selected for directors of big key enterprises. This is a good suggestion. If it is difficult for some enterprises to select personnel with the educational level equal to that of a college graduate for their directors, they should at least select persons who have the educational level of polytechnical school graduation or those who have become qualified through self-study to be their directors. Only by properly staffing enterprise leading bodies during the consolidation will it be possible to bring about a big change in the outlook of the enterprises.

3. It is imperative to staff various units according to their fixed number of personnel and to train workers and staff members in rotation. After streamlining the administrative structure, a large number of cadres of central organs should be organized for study and training in rotation. This is a matter of strategic significance. During the enterprise consolidation, coupled with the institution of the economic responsibility system, it is necessary to be determined to get the surplus workers and staff members out for study and to persevere in doing so. Then, there will be a change in the educational level of all workers and staff members after a few years. If the surplus personnel should be allowed to remain in workshops and sections and on shifts, many malpractices will occur. This situation must be corrected. People in all localities should work hard in order to gain experiences in this regard.

We must strengthen leadership in a conscientious way. Party committees and governments at all levels must place the overall reorganizations of enterprises on their agenda and leading comrades themselves should take charge of this task. Economic commissions at all levels as well as all industrial and communications ministries, departments and bureaus must carry out this task in a practical way, and those teams assigned to work at selected units must carry out their assignments in earnest. The central authorities have decided that the organizational reform will not be initiated in provinces, municipalities and autonomous regions this year so that energies can be concentrated on enterprise reorganization and other tasks. All ministries under the State Council must assign someone to be especially in charge of this task and changes in the organs should not interfere with this task. All ministries concerned are requested to immediately hold meetings to study this task, work out plans and send out teams to work at selected units. The State Economic Commission is to be responsible for inspecting and supervising this task. We must carry out the task of reorganization in a down-to-earth manner for 2 or 3 years, promote all fundamental work at enterprises to meet the demands set by the central authorities, and greatly enhance their economic results so that there will emerge an entirely new look at the enterprises.



In connection with the enterprise reorganization, there is another problem, namely, readjustment of enterprises. Those industrial enterprises that turn out products not meeting social demands, that consume too much energy or that have long operated at a loss should be shut down, and have their operations suspended; they should be amalgamated or switched to the manufacture of other products and the practice of blindly setting up new industrial enterprises should be stopped. This is a positive measure taken to enhance the overall economic results of the society and to make the lineup of enterprises as well as the geographical distribution of industries become rational. Taking into consideration that enterprise reorganization has to be carried out as a major task, that cases of violations in economic fields have to be handled and that the reform of organs has to be promoted this year, we should be aware that a lot of work has to be done this year. In this connection, enterprise readjustment can be carried out only within a certain limit in 1982. Among those enterprises that have to be closed down or have their operations suspended first are metallurgical plants and chemical plants consuming much energy, machine-building plants and electronics plants turning out products of very poor quality, oil refineries achieving very poor economic results and some industrial enterprises run by communes or production brigades that contend with advanced enterprises for the supply of raw materials, fuel and power. Efforts should also be made to arrange their problems in order of importance and urgency, and to work out plans for enterprise readjustment as well as practical measures to deal with those enterprises that have to be closed down or have their operations suspended so as to be well prepared for promoting this task in a planned way next year.

At the same time, we must also pay attention to the promotion of major technological reforms at enterprises in a planned way. During the current period of economic readjustment, many machine-building plants are seriously in need of tasks to achieve while over 20 million dun of rolled steel is stocked in warehouses and the contingent of capital construction teams does not have much work to do while wages have to be paid and management expenditures have to be spent. On the other hand, plant facilities have become out of date and some of them have to be replaced with new ones. Can't we think of some way to "make a start" somewhere and activate work in various fields? We must consider the possibility of banks issuing loans to machine-building plants in the form of credit loans to sellers, of allotting rolled steel to these plants for the manufacture of new highly efficient equipment and of selling the equipment to those enterprises that need it to replace old equipment that is low in efficiency but high in energy consumption. It will not cost too much to carry out this task, for in promoting technological reforms, funds spent on equipment account for about 85 percent of the total investment under general circumstances. Some civil engineering projects have also to be completed. Since these projects will not need much funding, preparations for such projects can be made by either local units or enterprises themselves.

Once this measure is taken, overstocked rolled steel will have an outlet, machine-building industry will be reactivated, the amount of waste iron and steel that can be supplied for remelting in furnaces will be increased, metallurgical industry will be given an impetus, tax revenues for the state will be increased and a new outlook will be brought about to the technology and equipment at various plants. This was tried out at the No 2 motor works with good results last year. We must make a start in technological reform and renewal of facilities this year. In promoting the technological reform centering on energy conservation, we must, first of all, reform technology in turning out several major products, including boilers, motor vehicles, transformers, water pumps and fanning machines [feng ji 7364 2623] as well as a number of basic parts for machines. We must do a good job in promoting technological reforms at such large enterprises as the Anshan Iron and Steel Company and the Nanjing Chemical Industrial Company, acquire some experience in this concern and then popularize their experiences.

## IV. On the Question of Finance

The readjustment work was carried out conscientiously in 1981 by implementing the guidelines of the central work conference held in December, 1980. As a result, the financial situation in 1981 was better than expected. Revenues totaled 102.8 percent of the annual plans. There was a deficit of less than 2.7 billion yuan, the figure mentioned in the report to the Fourth Session of the Fifth National People's Congress. However, we are still confronted with considerably great difficulties in finance. As stated in the 1982 state budgets, we anticipate the expenditures to exceed revenues by 3 billion yuan this year. Therefore, while noting the excellent situation we must also anticipate latent dangers in financial work this year. If we fail to achieve a balance between financial revenues and expenditures in the main, the deficit will increase and it will lead to issuance of more currency. This will affect not only the basic stability of commodity prices at markets but also the situation of stability and unity.

The general guideline for this year is to consolidate and stabilize the economic achievements and march forward steadily on this basis. Whatever happens, we cannot lower our guard after having initially stabilized the economy and thus aggravate the latent danger again. To this end, the Central Committee and the State Council have asked for efforts to further implement the policy of readjustment, restructuring, reorganization and upgrading and to continuously maintain a basic balance of revenues and expenditures and of credit receipts and payments together with a basic stability of commodity prices. This is not only an economic question but also a political one.

Fundamentally speaking, to resolve a financial question, it is necessary to develop production in earnest, improve economic results and do a good job in increasing revenues and cutting expenditures. Besides continuously and energetically developing the production of consumer goods as planned, changing the service orientation of heavy industry and conscientiously reorganizing enterprises, efforts should be made to grasp the following well:

1. The purchase price of agricultural and sideline products should be stabilized. The financial burden has become very heavy as more money is put into circulation and many different kinds of subsidies are offered. In 1981 the state gave subsidies of 32 billion yuan for more than 30 kinds of commodities, of which over 80 percent had something to do with the prices of agricultural and sideline products. Although agricultural and sideline product prices have increased very little in the past 2 years, the proportion of increased and negotiated prices is growing bigger and bigger and the actual purchase price for agricultural and sideline products is still rising steadily. Generally speaking, to solve this question we must have a stable policy and readjust measures that exceed the limit of policy and those that are drastically irrational. We must refer to the method used by Zhejiang and other places of fixing the basic figures for planned purchase and apportioned purchase [3175 6356] of agricultural and sideline products by the state; places that had abandoned this method should restore it. By now, 3 years have passed for some new producing areas; next year they should think about fixing a rational purchasing task or the purchase proportion. The increased and negotiated prices for purchase exceeding the planned quota should also be readjusted and controlled.
2. The granting of bonuses should be controlled. In general they should be stabilized at last year's level within the scope of provinces, municipalities and autonomous regions this year with emphasis on doing away with egalitarianism in bonus-granting and on distribution according to work so as to make the bonuses work effectively. Indiscriminate granting of bonuses should be firmly corrected.
3. Efforts should be made to tighten financial discipline, intensify supervision and inspection and plug loopholes. At present, many enterprises have indiscriminately assigned production cost, evaded tax and rationed profits which ought to be delivered to the state. All this has reached a fairly serious degree. We must pay attention to this and solve it. The financial inspection carried out early this year which achieved good results should be continued. Problems once discovered should be dealt with expeditiously; we should not turn big problems into small ones and small problems into no problem at all.

4. Investment in capital construction must be controlled. While there is no possible major breakthrough in capital construction, an expenditure item under plan, the amount of funds raised on one's own, the funds the enterprises themselves have and the fixed capital investments made with bank loans have grown into a considerably large sum. There are many problems in this area. Various provinces, municipalities and autonomous regions should check on them. Those projects that should go on, we should study how to put the funds to good use. Another problem is that some places have set up their own investment trust companies taking away bank deposits to do construction. To summarize, the amount of money available is limited and establishing an investment trust company here would mean reducing bank deposits there. This in fact amounts to diverting a part of the credit originally being used as current capital to capital construction, thus extending the capital construction line and hampering the improvement of economic results. I now reiterate that with the exception of those investment trust companies approved by the State Council or designated departments concerned, all other investment trust companies should be turned over to the banks. The job of raising and using funds should be handled exclusively by the banks and should not be done independently without them.

In short, our entire economic situation has come out of the "bottom of the pot" [6938 1646], but the latent danger has not yet been basically eliminated. We rather assess the problem more seriously; we should never lower our guard or become unrealistically optimistic.

#### V. On the Question of Intensifying Ideopolitical Work

Under the new situation, ideopolitical work should not be weakened but intensified. Over the years, our political organs have been busy launching mass movements but they still lack an integrated set of experiences in doing ideopolitical work well in the economic sphere. We should make an effort to study and summarize experience in this area. Ideopolitical work should be based on the demands of the four modernizations and integrated with economic work and with the state of the mind of workers and staff in order to have a definite object in view to truly solve problems. In discussing how to intensify ideopolitical work, this conference has introduced the Daqing oilfield's experience of strengthening the building of contingents of workers and staff and the experience of the Tianjin caustic soda plant in carrying out education on the love of the party, the motherland and socialism through studying history and Chinese modern history. All this is more vivid, more realistic and convincing. We must, through meticulous and careful ideopolitical work, make the fundamental guiding principles of taking equal consideration of the interests of the state, the collectives and individuals and of "first, the people must have sufficient food; second, socialist construction must be carried out," take root in the minds of workers and staff and in work implementation as well.

Since the 3d Plenary Session of the 11th CCP Central Committee, the party and government have made maximum efforts in improving the people's livelihood in the rural areas and cities and the great majority of the masses are satisfied. The state of mind of the people in the cities at present is stable and upward looking on the whole. It should also be noted that a small number of people in the cities are still not too satisfied and are grumbling. Among them there are also elements with ulterior motives who desire to stir up trouble. It seems that there is a necessity for choosing a suitable time this year to universally carry out a vivid education on the economic situation. We should, through this education, reckon an overall account with the urban people and let the broad masses understand under what conditions the state solved the question of the people's livelihood since the downfall of the "gang of four," especially in the past several years since the third plenary session. The account would cover the increase in commodity prices, people's income, state subsidies to the urban people, employment, in the total amount of wages and bonuses, in housing for workers and staff, in the sale of durable consumer goods, and in urban savings deposits. All accounts should be brought into the open.

The country has an account book. In the 3 years from 1979 to 1981, jobs were found for 26 million jobless young people who returned to the cities and towns; housing covering 220 million square meters in floorspace was newly completed for workers, staff and the people in the cities. The state increased subsidies of the selling price of agricultural and sideline products annually to more than 20 billion yuan. The total amount of wages for workers and staff in 1981 was 25.1 billion yuan greater than in 1978 or an increase of 44 percent; the average annual wages of workers and staff increased from 614 yuan in 1978 to 772 yuan in 1981 or an increase of 25.7 percent and so forth. Every city, every enterprise and every unit has such an account book and we should speak up with facts and figures. We must also make clear the existing problems in the spirit of seeking truth from facts. For example, for some party and government cadres, personnel engaged in scientific research, teachers and workers and staff of collective enterprises, their actual income has not been raised much and has even dropped. We should let the masses voice their opinion openly so as to help us carry out education about this situation and improve our work. Judging from results of education conducted in Shanghai, Liaoning and Xuzhou, in so doing, most of the people have come to know the truth and eliminate misunderstanding; they have realized that the party and the state have indeed made utmost efforts in the interests of the people. By reckoning accounts, workers and staff of the Shanghai No 2 weaving plant who used to grumble about their livelihood problems have become even-tempered and good-humored and vigorous in work. A party branch secretary of the Ningbo municipal clothing embroidery factory made some most profound and objective remarks. She said: According to the workers, over the past several years, they have found: 1) they have more money in their pockets; 2) commodity prices have also risen; 3) they still have more money in their pocket after carefully figuring out income and expenditures; 4) the young people have higher demands. The masses of workers are very reasonable. So long as we earnestly carry out education on the economic situation, a healthy atmosphere will prevail more promisingly and there will be no room for rumors and slanders.

We should, through education on the economic situation, further lead the people to fully understand our national conditions and to foster the idea of building our country through thrift and hard work and of arduous struggle. Ours is a developing socialist country with a huge population, a weak foundation and a very burdensome construction task in all fields. Livelihood improvement can only be materialized gradually with the development of production. It is therefore wrong and unachievable to put forth impractical and excessive demands. As to livelihood problems, we should not simply compare with the developed capitalist countries, nor should we compare with those oil-rich countries or certain countries and regions which have become prosperous by relying on processing. We have to go through a protracted hard struggle in order to build our great motherland into a more prosperous and strong country and to make all our people "comparatively well-off" for a more prosperous life later. This requires us to earnestly implement the principle of "first, the people must have sufficient food; second, socialist construction must be carried out." The people's livelihood needs to be improved gradually, but there is also a problem of doing according to one's own capability. We still have to allocate some funds, goods and materials for construction and for continuously enlarging reproduction in order to advance toward the four modernizations. This is where the fundamental interests of the people of the whole country lie. A prosperous life will never become a reality if we only strive for enjoyment of life and divide up and eat up everything instead of carrying out construction. We must, through education, make the people correctly understand and handle well the relations between construction and livelihood and between accumulation and consumption and integrate the immediate with long-term interests.

We are deeply convinced that by striking at lawbreaking and criminal activities in the economic sphere and promoting the building of spiritual civilization together with education on the economic situation this year, the people's spirit will be greatly enhanced and the social mood will take a turn for the better.



RENMIN RIBAO URGES FIRM STEPS AGAINST CORRUPTION

OW010830 Beijing XINHUA in English 0729 GMT 1 Apr 82

[Text] Beijing, April 1 (XINHUA) -- Today's PEOPLE'S DAILY calls for firm and unshakable actions against corrupt practices within the Communist Party, particularly those that involve some leading party cadres. The paper, in a front-page commentary, says, "In pursuing the economic policy of opening to the outside world and invigorating the domestic economy, China aims to speed up its socialist modernization drive in the interests of the entire Chinese people, but not to line a few people's pockets or to fatten the economic offenders who benefit themselves at public expense or at the expense of others."

In the current efforts against corruption, the article notes, "the legitimate interests of foreign businessmen and Hong Kong and Macao industrialists who do business with China through proper means will not be harmed, nor will the lawful interests of state-owned enterprises, collectively-owned units and individual producers in China, which are allowed to exist as provided for by the state policies." In other words, it adds, "various legitimate interests can be guaranteed and a new economic situation can be brought about only by coping with the economic offenses and putting an end to all prevalent crooked means."

China is implementing the open economic policy and promoting invigoration of the domestic economy "at a time when the party has unhealthy tendencies, a laxation of discipline and many ideological, political, organizational and style-of-work problems resulted from the gang of four. So it is fairly easy for the criminals of every hue to find their conspirators within the party and, therefore, efforts to oppose and deal harshly with law-breaking activities in the economic field must be regarded as one of the party's central tasks to strengthen its discipline and rectify its style of work for a period to come," the paper says.

The article notes that emphasis should be placed on dealing blows to the major and big cases so as to guard against the occurrence of false accusations and other confusions. The party Central Committee also stipulates that in handling these cases, the criminal offenses should be differentiated from work errors and opportunities given for the offenders to confess crimes and grant leniency.

"The struggle against criminal activities in the economic sphere is of vital importance to the party's cause and the nation's prosperity," the paper says. It calls for "resolute actions to carry this struggle through to the end, so that many people can be saved and the part of the body of the party and state that has been contaminated be removed promptly."

XINHUA COMMENTS ON PUNISHING ECONOMIC CRIMINALS

OW010845 Beijing XINHUA Domestic Service in Chinese 0713 GMT 1 Apr 82

[XINHUA commentator's article: "Harshly Handle the State Organs' Staff Members Who Have Committed Economic Crimes"]

[Text] Beijing, 1 Apr (XINHUA) -- The "decision on harshly punishing the criminals who have seriously undermined the economy" adopted by the 22d Session of the NPC Standing Committee will become effective today. This decision stipulates that the handling of staff members of state organizations who have broken the law must be harsh. This is a powerful measure adopted by our party and state to purify the contingent of cadres and ensure the smooth progress of our country's socialist modernization.

A common feature of the many major cases exposed in various areas during the struggle against offenses and crimes in the economic sphere over the past 2 months is the involvement of certain staff members of state organizations, party cadres and even leading cadres in nearly all the cases. This situation shows that capitalist ideology is corroding certain working personnel of our party and state. For this reason, we cannot afford to turn a blind eye to this situation.

Our party is currently the ruling party. Under this circumstance, it is particularly necessary for our state organizations' staff members to carry forward the fine traditions of serving the people, live plainly, be honest in performing official duties and work diligently. The people have always observed the work of our party and government from what our party members and cadres say and do. During the revolutionary war years, countless party members and cadres served the people wholeheartedly and even gave their lives for the interests of the nation and the people. For this reason, we won the genuine support of hundreds of millions of people for the cause of our party, and we were able to rally the broad masses of people around the party to win victory in our struggle.

Today as we are engaged in socialist modernization, we must continue to maintain and carry forward the traditional virtues of Communist Party members and party cadres. That we have to adopt firm and harsh measures to deal with the few corrupt elements is specifically to purify the party organization and the contingent of cadres and safeguard the prestige of our party and government among the people so we can smoothly accomplish various tasks.

The decision adopted by the NPC Standing Committee also stipulates that those who surrender themselves, honestly confess their crimes and report other offenders' crimes before 1 May will be handled in accordance with the relevant regulations of the previous law. This is to give the offenders a chance to make a new start. Chief Procurator Huang Huoqing, answering questions raised by XINHUA reporters on 29 March regarding the decision adopted by the NPC Standing Committee, earnestly admonished those who have committed serious crimes of undermining the economy to immediately surrender themselves and not miss this opportunity.

Some people worry about committing the mistake of "repeating the expansion of class struggle" if we heavily punish state functionaries who have committed economic crimes. This worry is unnecessary. In the past we saw such mistakes but they were made under the guidance of leftist thinking. Those who committed such mistakes made an erroneous theoretical estimation on the situation of class struggle in our country and on the political situation of our party and state. They obscured the demarcation line between right and wrong and between the enemies and ourselves and used erroneous methods in practice. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" has systematically summed up this historical lesson and made a scientific conclusion on the question of class struggle in the socialist period of our country. Under the correct leadership of the party Central Committee, such serious mistakes will never be repeated. As long as the party organizations at various levels strengthen their leadership, adhere to the correct policy, supervise and check all cases from time to time, persist in seeking truth from facts, attach importance to evidence, investigation and study, adhere to legal procedures in doing things, do not draw hasty conclusions from the statements made by the accused under examination and refrain from obtaining confessions by compulsion and giving them credence, we can guarantee that the struggle to strike at those who commit economic crimes will develop in a healthy way, and we will be able to win a total victory in this struggle.

There are also some people who worry about "making people alarmed and bewildered" if we take such action. This worry is also unnecessary. The broad masses of cadres and people have long detested economic criminal activities. When they see that those who have committed serious economic crimes are dealt with strictly and given due punishment economically, organizationally and legally, they will certainly clap and cheer, support our action wholeheartedly and have deep confidence in our party, our state and our efforts in promoting the four modernizations.

There will be some people who will be alarmed and bewildered in this struggle. They are those who have been hit by the bourgeoisie's sugar-coated bullets and who are afraid of "being exposed." The constant state of anxiety of those who have committed economic crimes precisely shows the great power of our party's policy and tells us that the healthy wind will prevail over the evil wind. Of course, in handling those cases it is necessary to distinguish between the principal culprit and accessories in a crime, between the habitual offenders and occasional offenders, between major and minor crimes, between serious and light offenders and between those who stubbornly refuse to admit their crimes and those who make clear confessions. We must handle those cases strictly in accordance with policy. We must pay special attention not to confuse and mix up economic crimes with the correct special policy, flexible measures and common mistakes in daily work.

In carrying out this struggle, we are not merely to deal with several major cases and punish a few people. It is more important to use negative examples in conducting education for the party members, cadres and masses on opposing bourgeois corruption, party and political discipline and the socialist legal system. Through this education, they will understand that criminal activities in the economic field will cause serious harm and danger; that all party members and cadres are faced with the task of opposing bourgeois corruption in the new historical period; and that all party members and cadres must keep up the communists' purity of communism. serve the people wholeheartedly as public servants and dare to wage resolute struggles against all law offenders and evil and unhealthy tendencies. Only by doing so can we ensure that our efforts to promote socialist modernization will go on smoothly.

#### THREE REPORTS ON HONGQI NO 7 EDITORIAL

##### Bourgeois Liberalization

HK010346 Beijing ZHONGGUO XINWEN SHE in Chinese 1347 GMT 31 Mar 82

[Report: "HONGQI Holds That the Tendency of Bourgeois Liberalization Has Emerged in Many Domains"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- Hongqi No 7 holds that at present, China is faced with a fierce struggle between the corrosive influence of capitalist ideas and the resistance of socialist ideas to this influence. Viewed from what has already been exposed, a relatively serious tendency of bourgeois liberalization has emerged in many domains of China's social life.

HONGQI goes on to say that decadent capitalist ideas and ways of life have exerted a rather serious corrosive influence in the ranks of the Communist Party and are rather seriously poisoning the general mood of society. Indeed, many party members and cadres have been roped in within a very short period. Some old cadres who were not conquered by the enemy's force of arms, or the suppression of the Lin Biao and Jiang Qing counterrevolutionary cliques, have been conquered by the bourgeois "sugar-coated bullets" in the past few years and have become captives of the bourgeoisie. That capitalist ideas have intruded into the militant Communist Party is a fact that brooks no negligence. Facts have clearly shown that bourgeois liberalization is not just a question of the cultural and ideological fronts but is a common question facing all fronts. On the economic front, phenomena such as smuggling, selling contraband, offering and accepting bribes, corruption, theft, speculation, swindling and embezzling large quantities of state property are not isolated or accidental occurrences. They are outstanding expressions of bourgeois liberalization under new historical conditions, that is, at a time when an open-door policy and a policy to enliven the economy at home have been implemented. They are also an important manifestation of class struggle under socialist conditions. These facts have proved that under the new historical conditions, if we do not strengthen ideological and political work, do not establish and perfect corresponding management systems, do not adopt effective management measures and do not wage a struggle to resist the corrosive influence of capitalist ideas, we cannot smoothly carry out modernization.

The journal stresses that in the face of the serious corrosive influence of decadent capitalist ideas and lifestyles, the present struggle against the corrosive influence of capitalist ideas and bourgeois liberalization, including the struggle to hit out at crimes in the economic field, is a protracted struggle that concerns the success or failure of China's socialist modernization and the prosperity or decline of the Communist Party and the country.

HONGQI calls on the whole CCP to attach great importance to this struggle.

The above is taken from an article written by the HONGQI editorial department and entitled "Be a Clear-Headed, Staunch and Promising Marxist."

The article says that the struggle against the tendency of bourgeois liberalization must not shift the focus of our work and we must not repeat the mistake of "taking class struggle as the key link." The principal contradiction in China is the contradiction between the people's growing material and cultural needs and the backward social production. This contradiction must be resolved by means of socialist modernization.

#### Current Situation

HK010500 Beijing ZHONGGUO XINWEN SHE in Chinese 1438 GMT 31 Mar 82

[Report: "HONGQI Comments on the Current Situation in China"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- The No 7 issue of HONGQI to be published on 1 April carries an article by its editorial department, commenting on the current situation in China. The article point out that over the past 5 years since smashing the "gang of four," China has fulfilled the mission of setting to rights things which have been thrown into disorder in the guiding ideology and scored great achievements in practical work. The CCP and China have begun to advance again on the road toward new prosperity. This is the main aspect of China's current situation.

The article, entitled "Be a Clear-Headed, Staunch and Promising Marxist," says, on the question of making an appraisal of the current situation, it is a great mistake to waver, to take a skeptical attitude and to reverse what is the principal and what is the secondary, aspect. However, does this mean that China is not faced with any other serious dangers except for the danger of war? Does this mean that we can sit back and relax? Of course not. Even under peaceful circumstances, dangers still exist.

The article points out the following "dangers:"

The criminal activities in the economic field are more serious at present than in the period of the "movement against the three antis" and the "movement against the five antis" 30 years ago. In some places, some Communist Party members, cadres and some party organizations have become rotten under the influence of capitalist ideas. Of course, this is only an adverse current which has appeared in a few districts and among a small number of cadres on our road of advance. It can be stopped if the whole party gets united and carries out unremitting struggle against it. But, if not enough attention is paid and resolute struggle is not carried out against it, this adverse current will inevitably seriously corrode our Communist Party, corrupt social values and damage the socialist modernization drive. This is an important matter concerning the future of the Communist Party and our state.

The easiest way to capture a fortress is from within. If the CCP itself can keep a sound body by preserving the purity of communism and always maintain a close tie with the masses, no hostile forces can do damage to it. In this sense, the danger chiefly comes from within the Communist Party, from the degeneration of some wavering elements within the Communist Party rather than from any other aspects.

The article holds that to the Communist Party itself, the key lies in the high- and middle-level cadres, in the principal leading cadres. If they are clear-headed and staunch Marxists who readily get things done, the party can become better and its fighting power can be greatly raised. Thus, the Communist Party will be able to correct all mistakes and overcome the phenomenon of corruption.



## Reiterates Open-Door Policy

HK010352 Beijing ZHONGGUO XINWEN SHE in Chinese 1441 GMT 31 Mar 82

[Report: "HONGQI Reiterates That the Open-Door Policy and the Policy To Enliven the Economy Will Not Be Changed"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- The No 7 issue of HONGQI to be published on 1 April reiterates that China's open-door policy and its policy to enliven the economy are China's firm and unshakable policies adopted in accordance with the needs of socialist modernization drive and the international situation.

HONGQI points out that some people have attributed the corrosive influence of capitalist ideas and the emergence of bourgeois liberalization to the implementation of the open-door policy and the policy to enliven the economy and therefore have adopted a negative attitude toward these policies. This is entirely wrong.

The article by the HONGQI editorial department also says that even when the economy has been greatly developed in the future, it will be still necessary to uphold the open-door policy and the policy to enliven the economy, which have been proved to be entirely correct. It should be noted that there are various reasons why illegal and criminal activities in the economic field in a few localities have developed to such a serious extent. For example, evil elements from the old society and the ideological influence of the exploiting classes still exist in the country; the pernicious influence of anarchism and extreme individualism incited by the counterrevolutionary cliques of Lin Biao and Jiang Qing during the decade of civil disturbance is still far from being eliminated; while implementing the open-door policy and the policy to enliven the economy, we have not been able to keep pace with the ideological and political work and with some necessary systems and measures of management, with the result that the influence of capitalist decadent ideas and the bourgeois way of life has multiplied, and so on. These are very important reasons. How can we attribute the rampancy of illegal and criminal activities in the economic field to the implementation of the open-door policy and the policy to enliven the economy? As far as the principle of the CCP is concerned, these evil deeds have always been illegal and impermissible under the party discipline and state law.

COMMENTATOR VIEWS RURAL IDEOLOGY, POLITICS

HK010755 Beijing RENMIN RIBAO in Chinese 26 Mar 82 p 1

[Commentator's article: "Penetratingly and Meticulously Carry Out Ideological and Political Work in the Countryside"]

[Text] In our countryside, ideological and political work is now being strengthened in many areas according to the newly emerging situation. In Longxi district, cadres at various levels have adopted the method of explaining in detail to the peasants what the party has done for them in the countryside. There is much in their method that can be used for reference.

At present, the ideological and political work is still a weak link of our whole work in many rural areas. Some comrades think that with the implementation of the party's policies, particularly the production responsibility system in the countryside, the peasants are now much more enthusiastic than before, and the economic situation is good too, therefore, the conduct of ideological and political work is neither here nor there. Some maintain that stress is now laid on managing the economy by economic means and the peasants have really benefitted from it, so they will take care of production on their own initiative and fulfill all the tasks. Some comrades even hold that ideological and political work is empty talk, which contributes nothing in tackling practical problems so they are slack in this work. All the above views can also be heard even among some of the leading comrades of the party committees. The party workers themselves doubt the power of the ideological and political work of their own party. This is really a serious problem which merits serious attention from party committees at all levels.

Moreover, a good many comrades also find it difficult to carry out ideological and political work under the new circumstances. This problem has arisen because these comrades have lagged behind in their understanding, and because they have followed an improper way of working so that they have failed to achieve good results in their work. Now, at the time when spring farming is going on in the rural areas, propaganda and education are being carried out among peasants for unwaveringly adhering to the path of socialist collectivization and public ownership and adhering to the production responsibility system and for taking due consideration of the state, the collective and the individual as a whole, and not considering one side only. However, in some places, meetings have been held in this respect, documents read, and reports made, but there have been no satisfactory results. Some of our comrades are always satisfied with preaching empty theory; they can talk a lot, but they do not touch on key points, so peasants are not moved by their words. The reason is that the grassroots cadres fail to study the new problems and work according to the rule of thumb.

Over the past few years we have carried out some readjustments in the rural economy and introduced the production responsibility system. Therefore, the situation is excellent in the countryside. At the same time, some new problems have cropped up which await our study and solution one by one. The grassroots party organizations in the rural areas cannot keep abreast of the new situation for the moment, so they are finding it difficult to solve these new problems, and some organizations are even in a feeble and slack state. The party committees at all levels must make efforts to educate and help the rural grassroots cadres, and arrange for them to undergo a training course by rotation. Meanwhile, it is necessary to restructure the production brigades and teams. Once the grassroots cadres' consciousness is heightened and they bestir themselves, they will understand well the party's principles and policies and be able to distinguish between right and wrong. Once they dare and can exercise leadership, it is sure that they will engage in carrying out the ideological and political work penetratingly and meticulously by combining with practice and they will develop the role of party branches' militant strongholds.

The experiences of Longxi District tell us: The peasants' ideological problems must be solved by way of explanation and discussion. In the past, owing to the influence of the "leftist" guiding thought, large-scale struggles were launched at every turn and criticism meetings were wantonly held. This bitterly hurt the peasants' feelings and brought about grave consequences. We must not forget this lesson. Therefore, the ideological problems of peasants must be tackled through democratic discussion and consultations, tabling facts, explaining the whys and wherefores, reckoning up what has been done for them, recalling past suffering, making contrasts and carrying out criticism and self-criticism. Under the party's leadership, the peasants of our country have embarked on the road of collectivization after decades of hardships. They ardently love the party and believe in socialism. However, no doubt, we should not overlook certain old habits and ideas left over among the peasants. Therefore, we should not, under any circumstances, slacken ideological and political work in the rural areas. By adopting all practical measures, we should spare no efforts to imbue the peasants with socialist ideas and emphasize to them the party's policies, the state's support to the peasants and the power of the collective economy. In order to help the peasants develop production and improve their living standard, the party and the government have done all they can. They have done a great number of good deeds and spent large amounts of money on rural work.

Thanks to the implementation of the party's policies in the rural areas, now we can make better use of all the material and technical conditions which have been created by the collective economy over the years. All this must be explained in detail and listed one by one, which may not be quite clear to many of the peasants.

By doing so, the peasants will know these important facts, and they will realize that it is impossible to develop agriculture without the state's support and the collective power. Then, they will love socialism and love the collective more ardently and will consciously concern themselves with the interests of the state and the collective. They will work hard to promote production so as to make more contributions to the state.

All our party members and cadres in the countryside must bestir themselves with revolutionary spirit and better play their role as models and vanguards. They must encourage and educate the broad masses through the powerful ideological and political work of our party to cultivate and enhance their confidence for victory in order to build up a more flourishing countryside and bring about a more beautiful and happy life for the peasants.

#### POWER INDUSTRY FULFILLS FIRST QUARTER QUOTA

OW311347 Beijing XINHUA in English 1241 GMT 31 Mar 82

[Text] Beijing, March 31 (XINHUA) -- China's power industry fulfilled the first quarter output quota four days ahead of schedule, according to the Ministry of Water Conservancy and Power. It produced 77,600 million kilowatt-hours of electricity in the first three months. The figure represented a 7.9 percent increase over the same period of 1981.

The country's hydroelectric power stations generated 12,960 million kilowatt-hours of electricity in the first quarter, 18 percent more than in the same 1981 period. With more rainfall in southern China, the big hydroelectric power stations in Zhejiang, Hunan and Guangdong Provinces have been producing at capacity.

The nation's output of coal, crude oil and natural gas all topped the first quarter targets.

#### XINHUA INTERVIEWS COAL MINISTER ON PRODUCTION

OW310532 Beijing XINHUA in English 1309 GMT 30 Mar 82

[Text] Beijing, March 30 (XINHUA) -- China's coal industry will steadily increase its output beginning this year following a period of readjustment, according to Gao Yangwen, minister of coal industry, today. "Efforts would be made to raise coal output by 20 million tons a year," he said. He told this to XINHUA at a national meeting of representatives of advanced units and model workers in coal industry that opened here March 25.

Coal accounts for 70 percent of the country's primary energy output. Therefore, the growth of coal industry is of great concern to the nation's modernization program, the minister said.

China's coal output, which was 621 million tons in 1981, stood at 600 million tons in each of the three preceding years, meeting the nation's basic needs for coal, he said. "New coal mines with a total annual capacity of 36 million tons went into operation over the last three years with the construction of mines speeded up," he said; "coal gasification as well as research on coal liquefaction has begun."

According to Minister Gao Yangwen, China would do the following to improve the economic results of its coal mining:

- While transforming existing mines, advanced technology and equipment will be used in newly opened mines wherever it is possible, so that in 20 years China's coal industry will be technically transformed.
- Multi-utilization of coal will be stressed.
- Inter-regional, inter-departmental coal companies and other forms of economic cooperation will be established in a planned way.
- Distribution of coal mines will be improved and large as well as medium-sized and small mines built.
- In east and northeast China, where coal is in short supply, construction of mines will be stepped up. Additional transport facilities will be built in China's major coal centers in Shanxi, Guizhou and western Henan Provinces and in some parts of northwest China while building new mines there.

"In the past three years," the minister recalled, "we have met the targets originally set for readjusting our coal industry." In others words, he explained, two-thirds of the mines in which the speed of tunneling lagged behind that of extraction have ended this state of affairs that greatly hampered production. Other achievements listed by Gao Yangwen included improvement of working conditions in pits and a higher degree of mechanization.

More than 2,100 people attended the national meeting. It conferred the title of "advanced unit" on 110 units and the title of "model worker" on 144 individuals.

GONGREN RIBAO GREETES WORKERS ON COAL FRONT

HK010554 Beijing GONGREN RIBAO in Chinese 24 Mar 82 p 1

[Editorial: "Praise to the Workers Who Dedicate Their Lives to the Coal Industry -- Greeting the Opening of the National Meeting of Representatives of Advanced Collectives and Model Workers in the Coal Industry"]

[Text] By carrying forward the glorious fighting traditions, the heroic coal miners raised the annual coal output from 32 million tons in the early postliberation period to 620 million tons last year, a 2,000-percent increase, and thus raised the position of our country in coal production from 10th to 3d in the world. This is an outstanding contribution of the coal staff members and workers under the leadership of the CCP.

The rapid increase in coal production in our country was acquired through the hard work of the coal miners guided by the party's correct policies and principles under the situation in which our country is still backward in machinery, equipment, technology and management. Being masters of our country and having a high sense of responsibility, the coal miners in our country have displayed the spirit of dedicating their lives to coal production. They love the collieries and work selflessly and untiringly. They fear neither heaven nor earth, neither fatigue nor dirt, neither hardships nor danger; hence, the outstanding achievements and the large and iron contingent of coal miners.

The over 2,000 representatives attending today's national meeting of representatives of advanced collectives and model workers in the coal industry are examples for the 4 million coal staff members and miners in our country, especially the 144 model workers and 109 advanced collectives which will be named by the Ministry of Coal Industry and the National coal miners union. They have made arduous efforts at their posts which require highly intense manual labor. In them we see the fine morality and qualities of the working class and the rays of socialist spiritual civilization. They have gained the esteem of the staff members and workers as well as the people throughout the country. On this occasion, we wish to extend our high praise and warm regards to them as well as to all coal staff members and miners in our country.

Now our country is in a new historical period of striving for the realization of the four modernizations. Coal production is of vital importance to our state, to the socialist cause, to the realization of the four modernizations and to the improvement of the people's standard of living. Coal constitutes 70 percent of our country's energy source at present and will continue to be the main energy source in our country for a considerably long period of time. The speed of development of the coal industry and the quality and utilization of coal will greatly affect the development of the construction of the four modernizations. The people throughout the country have placed great hopes on the coal staff members and miners, expecting that more and better coal will be produced. The cause the coal miners are engaged in is a great cause. What they have taken on are glorious and arduous tasks in the socialist construction. At present, our technology and equipment are still backward and the level of mechanization in cutting coal is still very low, less than 40 percent of coal-cutting in the mines under state unified allocation has been mechanized. At the same time, the speed of constructing new mines is very low. In order to produce more coal, we have to mainly rely on manual work to drill and to blast.



Thus, we must continue to display the spirit of bearing hardships and enduring hard work. Comrade Hu Yaobang has said: "History has determined that, being Chinese in the 20th century, we have to bear more hardships and make more sacrifices for the interests of the people. This is for the happiness of the coming generations." Our coal miners must voluntarily take coal production as their own business and make the mines their homes. They must be willing to bear hardships and be proud of this. They must strike root in the pits and really become the masters and the backbone of the mines. They must get closely united and work harder, make greater contributions to our coal industry and strive to build our large industrial contingent of coal miners into one armed with the advanced ideology and technology, one of discipline and unity and one which is most capable of fighting!

In order to produce more coal, it is also necessary to continuously raise labor efficiency, to develop mechanized coal-cutting and to thoroughly change the backwardness of the mines. Thus, having these lofty goals in mind, we must make great efforts to study cultural, scientific and technological knowledge, to improve management and to reform the systems. We must change the backward situation of our coal industry with our own hands and build a new road with our wisdom for the healthy development and steady increase of coal production, with raising economic results as its center.

Staff members and workers, as well as the people throughout the country, must learn from the coal miners the spirit of voluntarily bearing hardships and the spirit of working selflessly to create light and heat for tens of thousands of households and produce energy for the construction of the four modernizations at the sacrifice of their own happiness of enjoying sunlight. We must support and cooperate with them in fulfilling the glorious tasks of coal production.

At present, some people still look down upon coal production work and look down upon coal miners. This is an influence of the old society and must be corrected through propaganda. It is more necessary for our coal miners to change such erroneous ideologies as looking down upon their own work and working discontentedly at their posts. We must make it a common practice in our society to love coal production work, to respect coal miners and to cherish the wealth they have created.

#### FOREIGN OIL COMPANIES BID FOR OFFSHORE RIGHTS

OW311230 Beijing XINHUA in English 1215 GMT 31 Mar 82

[Text] Beijing, March 31 (XINHUA) -- Thirty-five foreign oil companies have applied for participation in the first stage of the first round of bidding for offshore petroleum exploitation in China's south Yellow Sea and the Pearl River mouth basin, the China National Offshore Oil Corporation (C.N.O.O.C.) announced today.

On February 16, letters of notification for the first stage of the first round of bidding were issued to the 41 foreign companies eligible to apply for tenders. Of these, 35 had submitted applications by four p.m. on March 30, the deadline for bids, according to a spokesman for the C.N.O.O.C.

The first stage of the first round of bidding covers 107,300 square kilometers in the main part of the geophysical survey area in the northern part of the south Yellow Sea and one-third of the total area of four geophysical survey areas in the Pearl River mouth basin.

All foreign oil companies involved in the geophysical surveys in the Pearl River mouth basin applied for participation in the bidding, the spokesman said.

The C.N.O.O.C. issued on March 16 notification letters on the second stage of the first round of bidding for offshore petroleum exploitation in 17 areas in the geophysical survey areas in the southern part of the south Yellow Sea, the southern part of the Beibu Gulf basin and the western part of the Yingge Sea basin. These areas total 42,700 square kilometers.



STATE COUNCIL TO FOSTER CONSTRUCTIVE PROPOSALS

OW010058 Beijing XINHUA Domestic Service in Chinese 0021 GMT 30 Mar 82

[Text] Beijing, 30 Mar (XINHUA) -- The State Council recently promulgated "regulations on encouraging rationalization proposals and technical improvement" in an effort to encourage staff and workers to actively present rationalization proposals, work hard for technical innovations, promote national economic development and expedite socialist modernization.

The "regulations" stipulate that all staff and workers (collective or individual), through whose rationalization proposals or technical innovations to improve production, a certain unit, after experiment, research and actual application, achieves salient results in production or work, will be rewarded according to the regulations.

Rationalization proposals and technical improvement include:

1. Improvement of the quality of industrial products and construction structures and improvement and development of biological breeds as well as development of new products.
2. Improvement of technical methods; experiment and test methods; cultivation, plant preservation, breeding or safety techniques; medical, health and labor protection techniques; and techniques in material storage, maintenance and transportation.
3. Improvement of tools, equipment, apparatus and devices.
4. Technical measures for more efficient use of raw and other materials, fuel, power, equipment and natural conditions.
5. Improvement in design, statistical and calculation techniques.

In rewarding rationalization proposals and technical improvement, the principle of integrating spiritual and material encouragement, with emphasis given to the spiritual, must be upheld. Those who have contributed to rationalization proposals or technical improvement will be commended and issued certificates of merit and cash awards.

Rewards for the adopted rationalization proposals or measures for technical improvement will be classified into first, second, third and fourth grades, after a year's economic results. The annual economic results are computed from the time the proposals and measures for improvement are adopted. Rationalization proposals and measures for technical improvement such as those for improving working conditions, ensuring safety in production and eliminating public menace and pollution, which cannot be directly estimated by economic results, will be graded in accordance with their effectiveness. Cash awards for collective projects are to be rationally distributed according to the degree of contribution. The monetary awards will be paid by the units that adopt the proposals and measures.

Authority of examining and approving rewards: Rewards for rationalization proposals and measures for technical improvement will be reviewed and approved by the units that adopt the proposals and measures, and the proposals and measures must be reported to the higher responsible departments for the record.

The regulations stipulate that the rationalization proposals and measures for technical improvement must be tested and appraised, and only when they have been proved to be effective can they be adopted. Those who seek honor through fraud and deception must be criticized and educated and the monetary awards given to them must be returned; and those who are guilty of serious fraud and deception must be subjected to disciplinary measures.

ARTICLE CITES LIU SHAOQI ON CORRECTING MISTAKES

HK310859 Beijing RENMIN RIBAO in Chinese 26 Mar 82 p 3

[Article by Zhou Zhixing [0719 1807 5281]: "One Must Dare To Face Up to One's Shortcomings and Mistakes"]

[Text] I was deeply moved on reading a passage in volume I of the "Selected Works of Liu Shaoqi." Comrade Shaoqi said: "To imbue ourselves with revolutionary spirit, we must rid ourselves of such bad habits as 'love of face,' 'posing as a hero,' 'showing off,' 'being afraid of criticism,' and so forth. With such bad habits, what face do we still have? Our attempts to maintain face will naturally make us be inclined to be conservative." These few words spell out an unusually profound principle. Comrade Chen Yun has also said something worth noting. "A Communist Party member who participates in revolution gives up everything and is ready to sacrifice his life for the sake of the revolution. What face does he care about? Think nothing of face. Speak the truth. Do whatever is good for the people and for the revolution." They both practiced what they preached. To discover the truth, spread the truth, and safeguard the truth, they cared not a damn about personal gains or losses.

The face is the front part of the head. A man must wash his face every day. The attention given to one's face is understandable. People generally attach importance to the face. But some people love face more than they love the truth. In their eyes, face is everything and nothing else counts. When they are obviously ignorant, they pretend to know it all. When they have obviously done something wrong, they carry themselves with the dignified air of those being in the right. These comrades are often liable to make mistakes. This also does harm to the revolutionary cause.

To speak the truth, we must overcome two kinds of enemies. Faced with death as he stood tied to a stake, as ordered by the church, Bruno still insisted that "the universe is not only limited but also material." Though he died when flames engulfed him as he stood tied to a stake, he was rightly a victor in the face of ignorance, barbarity and evil. In the revolutionary ranks, some comrades are willing to sacrifice their lives for the sake of truth in the face of the enemy's butcher's knife. But they do not dare to fight their own shortcomings and mistakes and even do not dare to admit their own shortcomings and mistakes. They are afraid that when their shortcomings and mistakes are exposed, their reputations may suffer and they will lose face. They fight a losing battle before this enemy of "selfish ideas and personal considerations."

In fact, the matter of face lies not in whether mistakes have been made but in whether we have the courage to correct them. Comrade Liu Shaoqi said on many occasions that there had never been an all-perfect leader in the world. "With mistakes discovered and corrected, the truth is also discovered." Comrade Shaoqi himself dared to admit mistakes and correct them. He did not think that as a leader he was correct in every way. Comrade Shaoqi who was chiefly responsible for leadership over the land reform work in 1947 did not forgive himself for the mistakes made during this period. He bravely wrote a self-criticism. In 1961, he returned to his hometown to carry out investigations and studies. He found that the commune members were leading a very hard life. He was saddened by this. He poignantly criticized himself: "I have done you people an injustice. I have done you wrong, resulting in all of you not having rice to eat." The state chairman apologized to the ordinary commune members and he gave no thought to saving face. All he thought about was his own mistakes and his sense of responsibility. He had nothing but the sufferings of the masses and the people's interests in mind. In so doing, he won himself the love of the comrades of the whole party and the people.

HONGQI CALLS FOR CRACKING DOWN ON SMUGGLING

HK311007 Beijing Hongqi in Chinese No 6, 16 Mar 82 pp 40-41

[Article by Xi Wen [0823 5113] in the "Question-and-Answer" column: "What Is Meant by Smuggling and Why Is It Necessary To Crack Down on Smuggling?"]

[Text] Answer: Smuggling is an illegal economic activity. It generally refers to the act of violating the stipulated laws of the state and illegally transporting goods for import or export. Since the appearance of international trade in the world and the imposition of restrictions on such trade, smuggling has become a universal phenomenon in various countries and regions. Smuggling is not allowed by any sovereign state. Ours is a socialist country. Smuggling is all the more not allowed. The "tentative customs laws of the People's Republic of China" and the "penal code of the PRC" clearly say that smuggling is an illegal act of upsetting socialist economic order and impairing state interests. Smuggling in serious cases is an offense according to criminal law. According to these prescribed laws, all such activities as illegally transporting, carrying or mailing goods, silver and gold, currency, bills, negotiable securities and other commodities across the border in violation of state regulations governing foreign trade, imports and exports and customs duties are in the category of smuggling -- activities prompted by attempts to escape customs inspection, illegal foreign exchange trading, and evasion of customs duties. Those who engage in smuggling and illegal trading are subjected to economic sanctions and are even punishable in accordance with criminal law.

For a socialist country like ours which lacks a high level of economic development, cracking down on smuggling is of especially great significance. At present, the prices of certain consumer goods in our country, such as wristwatches, radio-tape recorders, television sets, chemical fiber products, and so forth are much higher than those abroad. Meanwhile, the prices of gold and silver, jewels, rare medicinal herbs, cultural relics and curios are much lower than those abroad. These price differences constitute a great economic stimulation to smuggling. Since the founding of the state, smuggling has along waxed and waned and has sometimes reached quite serious proportions. In the past few years, our country has carried out an open-door policy. This helps to attract foreign capital, equipment and technology and accelerates the readjustment of the national economy and socialist modernization. In the future, we must persist in carrying out this policy. Meanwhile, the international bourgeoisie and the smuggling rings based in Honk Kong, Macao and other areas have also seized this opportunity to exploit any loophole that has appeared in certain aspects of our controls. They have acted in collusion with lawbreakers at home and practiced smuggling in a big way. Certain people of some enterprises, undertakings serving the people, organs, public bodies and rural communes and brigades in our country, including an extremely small number of leading cadres, have thrown party discipline and state laws to the winds, and relied on their authority and on state and collective funds to carry out smuggling and illegal trading. They have promoted bourgeois liberalization in the economic area. This upsurge in smuggling and illegal trading has done harm to the state and society in many respects. Smugglers have violated our regulations governing foreign trade and imports and exports and have secretly brought in large supplies of consumer goods not needed as imports by the state, including second-grade and slipshod goods and imitations. On the other hand, they have smuggled out the state's valuable products and rare commodities in large quantities, or have engaged in illegal foreign exchange trading. They have thus avoided paying large sums in customs duties and industrial and commercial taxes. This has resulted in tremendous economic losses to the state. Smuggling has interfered with our industrial and agricultural production and hampered the development of our relevant national industries. Smuggling and illegal trading have given rise to many other illegal and criminal activities and disrupted peace and social order. In a small number of coastal areas where smuggling is rampant, the number of cases of gambling, robbery, theft, fraud, bribery, fighting, beating, murder, and so forth have risen sharply.

Smuggling has had a corrosive effect on the cadres and the masses and has corrupted social morals. Driven by a desire for exorbitant profits, some people have fallen prey to bourgeois sugar-coated bullets and stepped on the criminal path. There are still more people who have illegally bought smuggled goods as bargain hunters.

From this, it can be seen that smuggling and illegal trading are downright criminal activities that are the scourge of the country and the curse of the people. The struggle between smuggling and antismuggling forces is one between bourgeois corrosive and socialist anticorrosive forces. This struggle is not only a serious economic struggle but also a serious political struggle. Our country follows an open-door policy in a long-term guideline that cannot be changed. But we must guard against attendant negative influences. We must take note that though the exploiting class in our country has been eliminated, its influence has still not been eliminated. The international bourgeoisie is invading and corrupting our revolutionary ranks in the political, economic, ideological and other areas. Under this situation, if we cannot keep a clear head and take a firm stand in consciously resisting such intruding and corrosive forces and waging a resolute struggle against smuggling, illegal trading and other crimes in the economic field, this will be an open invitation to the dumping of commercial goods by the capitalist world. This will weaken the revolutionary will of our ranks, disrupt the political situation of stability and unity in our country and affect the consolidation of the socialist system.

Cracking down on smuggling, illegal trading and other criminal activities in the economic field is one of the central problems that the party is determined to tackle with intensified efforts this year. This also represents an important measure to achieve a decisive change for the better in the party's style and the social style this year. We must have thorough understanding of the serious harm which smuggling and illegal trading present to the party and the state, and persevere in fighting these criminal activities, in order to better implement the open-door guideline in the economic area and ensure the smooth progress of economic readjustment and modernization.

#### NATIONAL TAX WORK CONFERENCE SUMS UP EXPERIENCE

OW010311 Beijing XINHUA Domestic Service in Chinese 0042 GMT 29 Mar 82

[Text] Beijing, 29 Mar (XINHUA) -- Tax offices at all levels should further improve management of tax revenue, seriously enforce tax laws, actively promote production, strive to collect taxes and contribute to balancing revenue and expenditure. This is the demand set by the national taxation work conference that closed on 29 March.

After summing up 1981 taxation work, the conference emphatically discussed how to do still better taxation work in 1982.

The conference pointed out: In the course of economic readjustment, we adopted a series of tax measures in 1981, exempted taxes when they should be exempted, levied taxes when they should be levied and thus made taxation play a role of reward, restriction and regulation. In 1981, we collected national industrial and commercial taxes and salt taxes totaling 55,140 million yuan -- an increase of 4,140 million yuan over 1980 -- overfulfilled the national plan by 5.2 percent and contributed to the basic balance of revenue and expenditure.

The conference pointed out: At present, industrial and commercial tax revenue accounts for more than half our total revenue. With taxation being reformed step by step, tax revenue will play a greater role in socialist construction in the future. Therefore, we should make great efforts to do a good job in taxation in 1982. Tax departments at all levels should conduct investigation and study, and help enterprises promote production, improve quality of products, open marketing channels, lower production costs and improve economic results. Tax departments should energetically support and actively promote what is conducive to economic readjustment and production development. They should increase tax sources and collect more taxes by helping enterprises develop production.



The conference emphasized that it is necessary to improve tax revenue management and seriously enforce tax laws. We should persistently administer unified tax management and act strictly according to regulations rather than do things our own way. No localities, departments or units are permitted to change tax rates or reduce taxes without authorization from tax authorities. We should strengthen supervision and inspection over tax payments by various enterprises and resolutely implement tax laws in handling cases of serious tax evasion or in handling those who refuse to pay taxes. In the course of examining and managing tax revenue, we should try to detect smuggling, illegal purchase of foreign exchange, speculation, embezzlement, bribery and other major economic crimes. We should expose problems and cooperate with the departments concerned in the struggle against economic crimes.

After discussion, the conference decided that the experience of tax reform experiments at selected units should be summed up. Units that have the necessary conditions may properly expand their experiments. The experiment of levying income taxes on selected state enterprises should continue. Similar experiments should be conducted this year on industrial and transport enterprises run by counties. In order to promote specialization and cooperation in production, we will experiment on levying a value-added tax in the machine-building, farm-machinery and household-machinery industries. We will also try out a resources tax in the petroleum and coal industries. While reforming the taxation system, we should make necessary revisions to existing tax policies and regulations in order to meet the requirements of economic readjustment and make taxation play a better role as an economic lever.

#### PLANS TO BOOST POSTS, TELECOMMUNICATIONS SERVICE

OW010307 Beijing Domestic Service in Mandarin 2230 GMT 27 Mar 82

[Text] According to a report by RENMIN YOU DIAN BAO [PEOPLE'S POSTS AND TELECOMMUNICATIONS NEWS], the State Council recently approved a report submitted by the Ministry of Posts and Telecommunications on plans to accelerate the construction of posts and telecommunications projects and improve telecommunication services that are in great demand. The State Council has transmitted the report and issued a circular to various departments concerned.

The circular says: The State Council agrees in principle to the report submitted by the Ministry of Posts and Telecommunications. The concept and primary measures proposed in the report for improving insufficient telecommunication services are well-conceived. All departments concerned and all localities should give more support and assistance to the development of the posts and telecommunications service. Planning and urban construction departments should include posts and telecommunications projects in their urban construction plans. In their implementation of the ministry's plans, posts and telecommunications departments should particularly stress main points, strive to complete major projects and pay attention to the consolidation and technological transformation of posts and telecommunications enterprises. They should improve management, service and economic results to accelerate the development of China's posts and telecommunications service.



JIANGXI CONGRESS SESSION CONCLUSION, RESOLUTIONS

OW010427 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Mar 82

[Text] After 8 days in session and after fulfilling all the tasks listed on the agenda, the Fifth Jiangxi Provincial People's Congress successfully concluded its fourth session at the Bayi auditorium in Nanchang on the afternoon of 29 March.

Seated in the front row on the rostrum were Yang Shangkui, Liu Junxiu, Luo Mengwen, Zhang Yuqing, Ye Changgeng, Li Fangyuan, Gu Jiguang, Xie Xianghuang, (Wu Changgeng), (Wang Hua), (Wang Guoben) and (Sun Yongjiu), all executive chairmen of the session. Also seated on the rostrum were leaders of the party, government and army in the province as well as leaders of the CPPCC provincial committee, including Bai Dongcai, Fang Zhichun, Ma Jikong, Di Sheng, Liu Zhonghou, Wu Ping, Wang Zhaorong, Zhao Zhijian, Wang Shilian, (Wang Zheming), Xu Qin, Li Shizhang, Zhang Guozhen, Fang Qian, Liang Kaixuan, (Wang Linde), Hu Delan, Zhong Ping, He Shikun, Lu Xiaopeng, Shen Hanqing, Wu Zhenduo, Zhu Kaiquan and Li Huafeng as well as Liu Bin, president of the provincial people's higher court; Chen Keguang, chief procurator of the provincial people's procuratorate; and other members of the presidium.

Lai Shaoyao and Liu Jianhua, vice chairmen of the provincial CPPCC committee, attended the session as non-voting members. They were present at the closing ceremony and were also seated on the rostrum. The closing ceremony was presided over by Yang Shangkui.

The meeting unanimously approved a resolution on the report on the work of the Jiangxi Provincial People's Government, a resolution on the 1981 final accounts and 1982 financial budgets of the Jiangxi Province, a resolution on the report on the work of the standing committee of the Jiangxi Provincial People's Congress, a resolution on the reports on the work of the Jiangxi Provincial Higher People's Court and the Jiangxi Provincial People's Procuratorate. The meeting also approved a resolution on the report of work of motions examination by the motions examination committee of the fourth session of the provincial people's congress and elected (Tian Wanfu) as president of the Jiujiang Prefectural Intermediate People's Court and (Sun Qizheng) as the president of the Yichun Prefectural Intermediate People's Court.

Present at the closing ceremony as non-voting members were all the members attending the fourth session of the fourth provincial CPPCC committee and responsible persons from departments concerned at the provincial level and from various counties, municipalities and also municipalities under the jurisdiction of the prefectures. The meeting concluded amidst the solemn music of the national anthem,

## Resolution on Financial Report

OW010436 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Mar 82

[Resolution of the Fourth Session of the Fifth Jiangxi Provincial People's Congress on the final accounts of Jiangxi Province for 1981 and the provincial budget for 1982 -- adopted on 29 March 1982]

[Text] After examination and discussion and on the basis of the report by the budget examination committee, the Fourth Session of the Fifth Jiangxi Provincial People's Congress approves the province's final accounts for 1981 and budget for 1982 and approves the report by (Huang Zhongfa), director for the provincial finance department, on Jiangxi Province's final accounts for 1981 and draft budget for 1982.

The session holds that the 1981 provincial budget was implemented well. In 1981, revenues overfulfilled state plans, and a balance was achieved between revenue and expenditure with a small surplus. During the year the province conscientiously implemented in its financial work the principles of readjustment, restructuring, reorganization and upgrading of the national economy.

This had a positive bearing on enhancing economic readjustment, supporting industrial and agricultural production, promoting cultural, educational, public health and scientific development and improving the people's livelihood. The achievements were very great. The session expresses satisfaction over all this. However, it must be pointed out that economic results are still rather poor in our province. There are many loopholes in economic management. Financial supervision is not strict. Wastes in manpower, material and financial resources remain quite serious. The task of bringing about a fundamental change for the better in the financial and economic conditions of the province is very arduous. People's governments at various levels must adopt effective measures to earnestly solve the problems.

The session holds that the arrangements in the 1982 budget are in line with the state's principle of furthering economic readjustment. The implementation of the budget will have a positive bearing on promoting sustained and steady development of the national economy and maintaining continued improvement of the people's livelihood.

The session calls on the vast numbers of cadres and the masses of people in the whole province under the leadership of the Jiangxi Provincial CCP Committee and the provincial people's government to unite as one; work hard; increase production and practice economy; increase income and cut expenditure; properly arrange production and construction with increasing economic returns as the focus; perfect ways to acquire, accumulate and use funds; actively tap potentials; improve the financial system; strengthen financial supervision; strictly enforce financial and economic discipline; oppose extravagance and waste; deal resolute blows at economic crimes; support and commend the financial and tax personnel who uphold principle and dare to expose violations of financial and economic discipline; and strive to fulfil the 1982 budget tasks.

#### Resolution on Government Work

OW010815 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Mar 82

[Resolution on the Fourth Session of the Fifth Jiangxi Provincial People's Congress on the Jiangxi Provincial People's Government's work report -- adopted on 29 March 1982]

[Text] The Fourth Session of the Fifth Jiangxi Provincial People's Congress examined the government work report presented by Governor Bai Dongcai on behalf of the provincial people's government and examined at the same time an outline of the economic and social development plan of Jiangxi Province for 1982 submitted by the provincial people's government. The session has adopted the following resolution:

The session approves the government work report presented by Governor Bai Dongcai and at the same time approves the outline of the economic and social development plan of Jiangxi Province for 1982.

The session holds that since the third session of the fifth provincial people's congress, the provincial people's government has conscientiously implemented the principle of furthering economic readjustment and achieving greater political stability put forward by the CCP Central Committee and the State Council and the guidelines of the resolution of the 6th Plenary Session of the 11th CCP Central Committee. Through the hard work of the vast numbers of cadres and the masses, new progress and victories have been achieved in economic construction and other fields of work in the whole province. The session expresses satisfaction with the work of the provincial people's government. However, we must also soberly see the problems in the work of the province at present, mainly that the development of agriculture and diversified undertakings is rather slow, that work is insufficient in afforestation and the care and protection of forests, that soil erosion is serious, that industry is showing rather poor economic results, that some commodity prices are still unstable, that cadre work style and social order and practice have not fundamentally changed for the better and that criminal activities in the economic field are serious.

To further develop the excellent situation, the session instructs the provincial people's government to adopt practical and effective measures to earnestly solve the above-mentioned problems step by step.

The session holds that the 10 tasks and measures set forth in the report as the work of the government for 1982 are in keeping with the guidelines of the Fourth Session of the Fifth NPC and the actual conditions in the province and that they are feasible. The people's governments at all levels must conscientiously implement them and insist on paying attention to enhancing the level of both material and cultural development so that new, greater progress can be achieved in all fields of work in 1982.

The session calls on the provincial people's government to mobilize and organize the people in the whole province to continue to implement the 10 principles for economic construction, uphold the planned economy while giving scope to the supplementary role of regulation through the market, energetically develop diversified undertakings while sparing no effort in promoting grain production, vigorously promote afforestation and care and protection of forests, increase industry's economic returns, strive to achieve a steady growth rate in the province's industrial and agricultural production, fulfill and overfulfill the national economic plans, increase the economic strength, bring prosperity to the market, stabilize prices and continue to improve the people's livelihood.

The session stresses that people's governments and state personnel must fully understand that severely punishing economic criminals is a matter of fundamental importance concerning the success or failure of the party and the state, and that it is a serious nationwide struggle today between capitalist corruption and socialist opposition to corruption in both the political and economic spheres. It is imperative to resolutely implement the NPC Standing Committee's resolution for severely punishing criminals who do great damage to the economy, deal heavy blows at all kinds of economic crimes and severely punish criminals and state personnel who participate in criminal activities or connive at or shield criminals. It is imperative to strengthen leadership, follow the mass line, correctly grasp policies and carry the struggle through to the end.

The session holds that it is necessary to consolidate and develop the achievements of the all-people decorum and courtesy month activities, develop the "five stresses and four beauties" activities in depth and in a sustained way, energetically raise the cultural level under socialism and strive for a decisive turn for the better in cadre work style and social order and practice. It is necessary to strengthen ideological and political work, enhance the socialist political consciousness of the cadres and masses and foster a firm confidence in making China prosperous and strong and achieving the four modernizations. It is necessary to overcome bureaucracy, improve cadre work style, actively make proper preparations for simplifying the administrative structure, set the cadres' minds at ease, raise work efficiency and strive to do a good job in all fields of work.

The session calls on the people of the whole province to rally closely around the CCP Central Committee and, under the leadership of the Jiangxi Provincial CCP Committee and the provincial people's government, brace themselves, work with one heart and one mind, go all-out, surmount all difficulties and strive to fulfill all the tasks for 1982 and build a modern and powerful, highly democratic and culturally advanced socialist China.

#### JIANGSU'S XU JIATUN MEETS JAPANESE OFFICIALS

OW311427 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 29 Mar 82

[Excerpts] Xu Jiatun, chairman of the Standing Committee of Jiangsu Provincial People's Congress, and Hui Yuyu, governor of the province, separately met this afternoon with Kubata, chairman of the Japanese Aichi Prefectural Assembly, and Suzuki, vice governor of Aichi Prefecture. During the meetings, both sides had a warm and friendly conversation.

Chairman Xu Jiatun and Governor Hui Yuyu said: Since a friendly relationship was established between Jiangsu Province and Aichi Prefecture, friendly contacts have increased between the two sides with each passing day. The visit by Chairman Kubota and Vice Governor Suzuki to our province will positively contribute to mutual understanding and exchanges between the peoples of Jiangsu Province and Aichi Prefecture.

Present at the meetings were Bao Houchang, chairman of the provincial CPPCC committee; Dai Weiran and Xei Kedong, vice chairmen of the standing committee of the provincial people's congress; (Liu Hegeng), vice governor of the province; and responsible persons of departments concerned.

The standing committee of the provincial people's congress gave a banquet this evening in honor of Chairman Kubota, Vice Governor Suzuki and their party. Chairman Xu Jiatun of the standing committee of the provincial people's congress and other comrades were present.

#### SHANGHAI CONGRESS OPENS; CHEN GUODONG ATTENDS

OW010901 Shanghai City Service in Mandarin 1130 GMT 30 Mar 82

[Text] The Fourth Session of the Seventh Shanghai Municipal People's Congress opened at the Shanghai stadium this morning. More than 1,128 deputies from all walks of life and nationalities gathered happily together to discuss the city's affairs. The meeting place was beautifully decorated. At the center of the backdrop of the rostrum was the grand national emblem flanked by five flags on each side. Sitting in the front row were Presidium Executive Chairman Chen Guodong, Hu Lijiao, Zhong Min, Zhang Chengzong, Di Jingxiang, Su Buqing, Wang Tao, Liu Jingji, Wu Ruonan, Zhou Gucheng and Li Peinan. Also sitting on the rostrum were Mayor Wang Daohan and Vice Mayors Han Zheyi, Chen Jinhua, Zhao Xingzhi, Yang Shifa, Zhao Zukang, Wang Jian, Xin Yuanxi, Yang Kai and Pei Xianbai.

Comrade Hu Lijiao declared the session open at 0900. All the deputies rose as the national anthem was played. Mayor Wang Daohan delivered a report on the work of the government on behalf of the Shanghai Municipal People's Government. He said: The year 1982 should be a year of higher aspiration, a year of hard work, a year of forging ahead and a year of greater achievements. All the people of the city should, under the leadership of the CCP, raise aloft the red banner of Marxism-Leninism-Mao Zedong Thought, unite as one and work hard to develop material and spiritual civilization.

Attending the session as observers were comrade delegates to the Fourth Session of the Fifth Shanghai Municipal CPPCC Committee, NPC deputies in Shanghai, members of the CPPCC National Committee and responsible persons of departments concerned under the municipal CCP committee and the municipal people's government.

In the afternoon the deputies held panel discussions on the report on the work of the government and examined the draft 1982 economic and social development plan, the 1981 final financial account and the draft 1982 budget.

#### BRIEFS

SHANDONG TELEPHONE SERVICE -- The Shandong provincial conference of directors of municipal and prefectural postal and telecommunications bureaus concluded 30 March. The conference declared that the strained situation in which people have difficulty making telephone calls will be relieved in 2 or 3 years. The number of telephones has increased in recent years with the progress of the four modernizations. However, our province's postal and telecommunications service is still backward. Beginning in 1982, the state has adopted some preferential policies to accelerate postal and telecommunications service. The province plans to add 15,700 telephones this year, of which 7,000 will be installed in Jinan and 4,000 in Qingdao. The province will install 70 long-distance lines and open long-distance direct-dial lines from Jinan to Weifang, Qingdao, Jining and Qingdao. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Mar 82 SK]



SHENZHEN PROMULGATES CADRES' REGULATIONS

HK301427 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 28 Mar 82

[Text] Recently, the Shenzhen Municipal CCP Committee and the municipal people's government officially promulgated the regulations governing cadres. This is an important measure taken by Shenzhen municipality for striving to improve the work style of the party after reforming the organs of the party and the government. The Shenzhen municipal regulations governing cadres contain six articles. The main contents are:

First, cadres must study hard. It is necessary to closely link study of Marxism-Leninism-Mao Zedong Thought and adhering to the four basic principles with study and implementation of the theory, principles and policies of the central authorities on building the special economic zone. Moreover, cadres must study science, technology and management so that they will become experts in building the special zone. Second, cadres must be bold in blazing new trails. They must emancipate their minds, boldly practice, constantly look into the new situation and promptly sum up experience. Third, cadres must work well in unity. Cadres both ~~inside and outside~~ the party and from the localities and elsewhere must ensure that they study together, respect, support and understand each other and struggle hard together. Fourth, cadres must adhere to discipline. They must serve as models in observing party discipline, state laws and foreign affairs discipline. They must maintain the reputation of the party and the state. Fifth, cadres must be honest in performing their official duties. They must carry forward the excellent traditions and work style of the party. They must be the first to bear hardships and the last to enjoy comforts. They must seek the interests of the people of the special zone and serve as advocates and pioneers in socialist spiritual civilization. Sixth, cadres must enhance efficiency, establish a high degree of sense of responsibility for the revolution and oppose bureaucratism and the and the dilatory style of work.

GUANGDONG CRACKDOWN ON ECONOMIC CRIMINALS VIEWED

## Continued Crackdown Urged

HK250850 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 23 Mar 82

[Station commentary: "Resolutely Grasp Investigation of Big and Important Cases in the Economic Sphere to the End"]

[Text] Wang Zhong, former secretary of the Heifeng County CCP Committee, has finally been unmasked for perverting justice for profit and practicing graft by making use of his position and powers. This is a gratifying result in the struggle against violation of the law and against crimes in the economic sphere. This case further shows that it is absolutely necessary to investigate big and important cases in the economic field, and we must, with an unrelenting grip, grasp the investigations to the end.

All the big and important cases which have been turned up have an outstanding characteristic: The criminal economic activities carried out by a handful of state functionaries are particularly harmful. This is because state functionaries have power in their hands. If any one of them has ulterior motives, he can seek ill-gotten gains by using the powers people have entrusted to him. Why could Wang Zhong freely drive trucks into warehouses and carry away large quantities of much-needed materials without paying? This is only because he had the power in hand. If these people collude with those smugglers in society, it will be even more serious. They can provide criminals with funds, certificates, bank accounts and vehicles, and with every possible facility, and then they reap the third-party profit. On the other hand, they will certainly act as a shield for those criminals. People throughout the nation are shocked and wonder why in Haifeng County ships intercepting smugglers began practicing smuggling themselves and why smugglers in the country were so rampant. Was this not strange? This was only because Wang Zhong, who was formerly in charge of intercepting smuggling, was their pattern.



Evidently, it is absolutely necessary to severely punish lawbreakers among government functionaries in order to crack down on economic criminals in society and put a stop to criminal activities in the economic field. Only by wiping out these scum can our cadre ranks be much purer than before, and can they better lead the masses to build up the four modernizations.

This explicitly shows how correct and necessary the resolution passed by the NPC Standing Committee on imposing severe punishment on those criminals who seriously undermine our economy is. The resolution specifies that any lawbreaker among government workers must be dealt with severely according to law. According to the spirit of the NPC Standing Committee's resolution, Wang Weijing has been arrested, Wei Yifang has been sentenced and now Wang Zhong has also been ferreted out. This shows that laws have no mercy, no matter what sort of bigshot one may be. This also shows that the provincial CCP committee is resolved to carry out the struggle to the end. All lawbreakers who intend to get by under false pretenses should get rid of their illusions. You should take the fate of Wang Weijing, Wei Yifang and Wang Zhong as an example to think of in the future. Be quick to give yourselves up and confess your own crimes. There is no other way out.

#### 'Talk' With Economic Criminals

HK221115 Guangzhou YANGCHENG WANBAO in Chinese 13 Mar 82 p 1

[Article by Xu Xitian [6079 1585 1131]] "A Talk With Economic Criminals"]

[Text] The hatred that the masses have for you does not end with the gnashing of their teeth. During the 10-year disorder, scenes of devastation met the eye everywhere. Thousands of patriots are now so preoccupied they forget food and sleep and are up with the lark. All this is for the sake of healing the motherland's wounds and making the country strong and prosperous as quickly as possible. Your conduct, on the other hand, is tantamount to rubbing salt into your "mother's" wounds and sucking blood from the body of a relative who has been sick for a long time. Even if we do not accuse you of having no conscience, we should still say that you have lost your instincts. Your impure souls and your despicable behavior is not in line with Chinese morality. It is only natural that people should hate you intensely. This righteous fury is bound to subject you to the full force of the masses and the law. You must bear this in mind.

It may be that you have, in the past, done something beneficial for the motherland. Some of you may even have pledged yourselves to a life of struggle for communism. However, you have broken your vow and also spoiled your past record, of which you could have been proud. You have been hit by "sugar-coated bullets" and blinded by the lure of personal interests and gain. You are really in trouble now, for you have committed crimes. You have wronged the party, the motherland and the people. You should be ashamed of yourselves and mend your ways. I am saying this in the hope of appealing to your conscience and your "sense of right and wrong." However, this could prove to be rather wise thinking. As you sink deeper and deeper into the mire of crime, you increasingly resemble a gambler who has "won" enough to make his eyes go red, which makes it increasingly difficult to accept sound advice. However, the law has no feelings. Therefore, even if you have no "sense of right and wrong," you should at least have a "sense of advantage and disadvantage" and consider things with your own personal interests in mind.

"A rising wind forebodes a coming storm." For the moment, there is only a "rising wind." The downpour is not yet upon us. The determination of the CCP Central Committee is as hard as steel. You ought to realize this just by looking at the situation. You are bound to have heard of the rigorous plan of the provincial CCP committee and provincial government. You will no doubt be shocked to hear about the "decision" made by the NPC Standing Committee. What are you going to do? There is nothing to do but follow this "decision."

The "decision" says: This decision will be implemented on 4 April. However, if before 1 May, a person owns up to his crimes and makes a candid confession and a full disclosure, he will be dealt with in accordance with the old laws. Otherwise, he will be dealt with according to the new decision. From this we can see that 1 May is an important dividing line between leniency and severity. This decision is, in its content, deadly serious, and is no joke. Any leniency can only be based on this "decision." No one can escape punishment. Ghosts are afraid of exorcists. Are you not similarly afraid? There are, at present, thousands of exorcists. Do not think of conjuring up magic tricks. The monkey king had 72 transformations, but the only change his tale was capable of was turning into a flagpole. I do not think that you have just one tail. With your economic experience, you should have some idea of what resistance will mean. What will a candid confession and full disclosure mean? Although I cannot appeal to your "sense of right and wrong." You must weigh the pros and cons and calculate the advantages and disadvantages.

Tide and time wait for no man. Do not engage in any more mischief! Farewell.

CHEN PIXIAN ADDRESSES HUBEI CCP COMMITTEE MEETING

HK300913 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 29 Mar 82

[Summary] "From 18 to 24 March, the Hubei Provincial CCP Committee held an expanded standing committee meeting to convey and study the spirit of the recent directive of the CCP Central Committee, and to deliberate and work out plans for further carrying out the struggle of cracking down on illegal and criminal activities in the economic field." "Present at the meeting were party members of the Standing Committee of the Hubei Provincial CCP Committee, the standing committee of the provincial people's congress, the provincial people's government, the provincial higher people's court and the provincial people's procuratorate; the responsible people of the provincial military district; the secretaries of all prefectural and municipal CCP committees; the responsible people of the party groups of the departments, committees and offices at provincial level and other departments concerned. Comrade Chen Pixian and Comrade Han Ningfu delivered speeches at the meeting." The meeting affirmed the favorable development of the political and economic situation in the province since the party's third plenary session. As reported, most enterprises and units observe financial and economic discipline, and the great majority of party members and cadres abide by the law and are honest in performing their official duties. However, as reflected by the participants at the meeting, due to the anarchic and out-and-out egoist tendencies which have been brought about by the malpractices of the Lin Biao clique and the gang of four during the 10 years of turbulence, and to the influence of the implementation of the policy of opening the door to the outside world and enlivening the economy at home in the last few years, there indeed exists a liberalist tendency in the economic field in our province. "According to statistics of the departments concerned, the number of cases of illegal and criminal activities in the economic field has continuously risen in recent years and there is an obvious increase in cases involving over 10,000 yuan. The financial and economic discipline examination group recently sent by the provincial leading organs to various places in the province, reported that there were relatively important cases in some departments at prefectural, municipal and provincial levels. Some of these cases even involved cadres of party and government organs." Therefore, party committees at different levels must have a full understanding of the seriousness, perniciousness and danger of the illegal and criminal activities in the economic field, and thus take resolute and effective action against these illegal and criminal activities. While affirming the correctness of the open-door policy adopted since the third plenary session, the meeting admitted that the implementation of this policy has inevitably brought about the emergence of decadent capitalist thinking and bourgeois life style. In view of this situation, we must carry on the struggle against capitalist corrosion while upholding the policy of opening the door to the outside world and enlivening the economy at home.

Only in this way can we speed up socialist construction. "The meeting pointed out that the emergence of all these serious illegal and criminal activities in the economic field is a prominent expression of the class struggle in a given field under the new historical conditions." The current struggle against the illegal and criminal activities in the economic field serves not only as a measure to oppose capitalist corrosion but also as a step toward the better implementation of the policy of opening the door to the outside world and enlivening the economy at home. Having analyzed the recent financial and economic situation, the meeting realized that quite a few problems remained unsolved because our cadres had not yet obtained a clear enough understanding of the struggle and the leadership was not powerful. "In particular, the handling of those important cases in which responsible cadres of state organs or their children, relatives and friends were involved always encountered obstruction, and thus were impeded for a long time." The meeting believed that in order to achieve a complete victory, we must upgrade our understanding; and moreover, the number one and number two figures of the provincial CCP committee must personally be engaged in the handling of the cases. "No appeasement for those party and government leading members and enterprises responsible cadres who commit economic crimes is allowed. All their cases must be thoroughly investigated and handled." The meeting appealed to the organs concerned to promote propaganda in a big way to push those criminals to surrender to the police and report other offenders by 1 May. The meeting also emphasized the importance of ideological education so as to enable the vast number of party members and cadres and the broad masses of the people to stand the test during the struggle. "During the meeting, the standing committee of the provincial CCP committee convened, at various times, a forum of secretaries of prefectural CCP committees and another forum of secretaries of municipal CCP committees, deliberating and working out plans for the current industrial and agricultural production and various work." The meeting pointed out that cracking down on illegal and criminal activities in the economic field is a decisive step toward rectifying party work style and discipline and building the socialist spiritual civilization, as well as an important guarantee for smoothly carrying out socialist modernization construction.

#### CHEN PIXIAN ADDRESSES RURAL CULTURAL MEETING

HK290939 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 28 Mar 82

[Excerpts] The Hubei meeting to commend advanced collectives and workers in rural cultural and artistic work victoriously closed in Wuchang today. The meeting was the first meeting of heroes for rural cultural and artistic workers in Hubei since the founding of the state.

During the meeting, Chen Pixian, first secretary of the provincial CCP committee, and Han Ningfu, provincial governor, spoke. The participants seriously studied the relevant documents and instructions of the central authorities and discussed the relevant work reports. Twenty representatives of advanced collectives and advanced workers reported their deeds at the meeting.

Before the closing ceremony, Chen Pixian, Han Ningfu, Lu Wenyuan, Li Fuquan, Jiao Dexiu and other leading comrades received once again all the representatives, and had a picture taken together. Provincial Governor Han Ningfu spoke at the closing ceremony. He pointed out: If there is an absence of a healthy and rich cultural life, a society will not have a spiritual civilization. Satisfying the peasants' needs of cultural life is an important aspect for building the socialist spiritual civilization. At the same time, we must clearly see that for many complicated reasons, the current struggle between corruption and anticorruption in the economic and ideological spheres is still very serious. The party committees, governments and leading comrades at all levels must do a good job of grasping rural cultural and artistic work. This year, we must strive to complete the building of all commune cultural centers. We must complete the building of all cultural centers, film-showing networks, performance networks and library networks and build them into the advance positions of the socialist spiritual civilization construction.

He encouraged the participants to unite all rural cultural and artistic workers throughout the province and develop rural cultural and artistic work better every year. At the meeting, the provincial cultural bureau's decision on commendation was announced, certificates of commendation were presented to 65 advanced units and certificates of honor were presented to 99 advanced workers. (Xing Xubin), deputy director of the provincial cultural bureau, delivered the closing speech.

#### HUBEI HOLDS CONFERENCE ON PUBLIC SECURITY

HK160947 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Mar 82

[Text] Last night the Hubei Provincial CCP Committee held a provincial telephone conference on public security work, calling for continuing the firm grasp of the consolidation of public order and public security. Provincial CCP committee Secretary Huang Zhizhen spoke at the telephone conference.

The conference noted: This province has achieved remarkable successes in public security are being consolidated and are taking a turn for the better. Compared with November and December last year, there was a decrease in criminal cases from January to February this year. The number of criminal cases from January to February this year decreased by a wide margin as compared with the same period last year. In particular, there were very few serious criminal cases during New Year's Day and the Spring Festival. As a result, the broad masses of the people have heightened their sense of security.

The conference noted: The improvement in our public order and public security is a preliminary improvement. These are still quite a few unstable factors. Party committees and governments in all areas must strengthen leadership over the consolidation of public security, and conscientiously supervise and speed up fulfillment of various comprehensive measures. With regard to those young people who have taken wrong steps in life, we must help, educate, convert and redeem them, have a definite object in view and teach them in accordance with their special needs. While building socialist spiritual civilization, we must energetically consolidate internal order and security. With regard to those criminals who seriously disrupt public order and public security, we must severely punish them without delay according to law and severely punish those criminals who have seriously disrupted the economy. Rural areas must advocate formulating local rules and regulations and adopt effective measures to check evil practices such as gambling, stealing and feudal superstition. We must strengthen education for those who are receiving reeducation through labor and for those who are undergoing reform through labor, and stabilize reform order. We must strengthen the grassroots units' basic work; strengthen the professional work of public security, political and legal departments; and enhance the political quality of cadres and policemen.

(Li Jun), member of the standing committee of the provincial CCP committee and vice governor of the provincial people's government, presided over last night's telephone conference. Attending the telephone conference were responsible comrades of the provincial CCP committee, the provincial people's congress, the general office of the provincial people's government, the provincial public security department, the (provincial people's) procuratorate, the (provincial higher people's) court, the (provincial) department of justice and the (provincial) department of civil affairs. Responsible comrades of all prefectural and municipal CCP committees and responsible comrades of political and legal organs also attended the telephone conference.



TAN QILONG ADDRESSES SICHUAN WRITERS' FORUM

HK010357 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 31 Mar 82

[Summary] According to SICHUAN RIBAO, provincial CCP committee First Secretary Tan Qilong recently told a forum of writers: "On the eve of the 50th anniversary of the publication of Comrade Mao Zedong's 'Talks at the Yanan Forum on Literature and Art,' I hope that writers will go deep into life and integrate with the life and struggle of the masses in the new historical period." Tan Qilong was addressing a 27 March forum of 20 writers who recently went down to the rural areas, factories and mines to write about life there. Various writers introduced their experiences in this respect.

Tan Qilong said at the forum: "We must frequently think about whom we are serving. We must first think of the 80 million peasants among our 100 million population." At present, there is not much writing about the rural areas; this situation should improve.

GUIZHOU PROVINCIAL SEVENTH CYL CONGRESS ENDS

HK310206 Guiyang Guizhou Provincial Service in Mandarin 2315 GMT 29 Mar 82

[Summary] "The 6-day-long Seventh Guizhou Provincial CYL Congress came to a successful close in Guiyang yesterday afternoon after accomplishing all its assigned tasks. In the course of the congress, the delegates conscientiously summed up the work in the past, discussed and studied the future work and tasks of the CYL and discussed and approved the work report entitled 'Bring About an Upswing in the Economy in Our Province by Dedicating Our Youth' delivered by Comrade (Song Enpeng) on behalf of the Seventh Guizhou Provincial CYL Committee and the resolution of the Seventh Guizhou Provincial CYL Congress on the work report. During the congress session, all the delegates elected in a democratic manner by secret ballot the Seventh Guizhou Provincial CYL Committee.

The congress also explicitly set forth the work principles and tasks of the CYL in our province for the future. The congress called on the CYL organizations in various localities to work under the leadership of the party, lead the CYL members and youths of various nationalities to go all out, and strive to become shock brigades in building material and spiritual civilization and in bringing up an upswing in Guizhou's economy.

SICHUAN INVESTIGATES MALPRACTICES IN COUNTY

HK291006 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Mar 82

[Text] Today's [26 March] issue of SICHUAN RIBAO carries on its front page an investigation report of the Sichuan Provincial CCP Committee General Office on handling a letter from the rural areas. The report said: In June last year, the central authorities passed to this province a letter from the rural areas, together with written instructions and comments on the letter made by leading comrades of the central authorities. The provincial CCP committee then instructed the provincial political and legal commission, the provincial discipline inspection commission, the provincial finance bureau, the provincial commerce bureau, the provincial supply and marketing cooperative, the provincial bureau of industrial and commercial administration, and the Zhongjiang County CCP Committee to investigate and handle questions mentioned by the letter. According to the findings of the investigation, with the exception of isolated cases, the conditions reported by the writer of the letter have proved to be true.

The letter reported that the conditions of the feudal superstitious activities in Zhongjiang County's (Jiela) commune were serious.



A total of 34 people have been engaged in alchemy, divination, sciomancy, fortune-telling, physiognomy, opening ways for the dead, and producing and selling superstitious products such as incense and paper money. Cadres of some production teams not only did not put an end to superstitious activities but also regarded the promotion of superstitious activities as sideline production. The cadres made those people hand over to production teams part of the money and belongings they gained through fraud and deception. After this, the cadres made production teams evaluate work done by those people and allot work points to them. The masses were very indignant at this. Last year there were widespread illegal activities in Zhongjiang County's urban and rural areas such as unlawfully practicing medicine and selling false medicine, gambling paraphernalia, bad books, bad paintings and guns.

According to the letter, the current widespread evil trends in our rural areas are: giving dinners or sending gifts in order to curry favor, cadres' promotion of extravagant eating and drinking under all sorts of pretexts, and squandering public funds. (Jielai) commune cadres' practice of going in for extravagant eating and drinking is relatively conspicuous throughout the county. When the commune checks up on production work or holds an on-the-spot meeting, the commune's brigades will be in charge of entertaining inspectors and participants in turn. Participants in the commune's monthly meeting of brigade cadres are entertained gratis. At the end of every year, it is imperative to prepare a victory feast for brigade cadres. The commune's entertainment expenses from 1979 to August 1981 totaled over 899 yuan. Since 1980, the commune's third brigade party branch secretary (Chen Tongxiu) held two birthday celebrations for himself, entertained a total of 37 tables of guests at his birthday parties, and the birthday presents he received amounted to about 600 yuan.

In the light of the exposed problems of (Jielai) commune, the Zhongjiang County CCP Committee conducted a monographic study at the fourth enlarged meeting of the Fourth Zhongjiang County CCP Committee held last year, calling on all county departments, districts and communes to adopt measures for resolutely checking unhealthy tendencies and truly promoting work. The specific demands set by the county party committee are: 1) Leading cadres at all levels must measure and examine themselves by the "guiding principles," conscientiously promote party work style, earnestly overcome laxness and weakness and strengthen political and ideological work. 2) Strictly enforce party discipline. Any offenses committed after the promulgation of the "guiding principles" in using public funds to cover entertainment expenses must be investigated and handled. 3) Strengthen ideological education for the masses, consolidate public order, pay special attention to strengthening market management, energetically teach the masses to differentiate between the proper and legitimate production and management activities and the illegal activities, and resolutely ban the feudal superstitious activities and unlawful practices. 4) Give full play to the roles played by women's federations, CYL organizations, public security committees and mediation organizations at the basic level; always conduct education for vast numbers of women in the situation, prospects, law and discipline, morality and doing labor as an honor; enable them to correctly handle love affairs, marriage and family matters, resolutely ban mercenary marriages, and seriously handle unlawful practices of seeking enormous wealth through marriage.

Today's issue of SICHUAN RIBAO also carried a short commentary on the investigation report. The short commentary is entitled "Fight Resolutely Against All Kinds of Bad Practices."

#### BRIEFS

YUNNAN RICE CONFERENCE -- The Yunnan Provincial Agricultural Committee recently convened a provincial conference on upland rice production in Tengchong County. By last year, 28 counties in 7 prefectures and autonomous prefectures in the province had resumed upland rice production, and the area of upland rice cultivation had reached more than 1.8 million mu. The conference adopted a decision of prohibiting reclamation of wasteland by felling forests, called for scientific farming in upland rice production, and recommended the advanced experiences of upland rice growing in Lancang County. Last year, Dongkui commune of this county cultivated upland rice over an area of more than 30,000 mu, and the average output in one of its brigades reached more than 800 jin per mu. According to this year's provincial plan for upland rice production, the area for upland rice cultivation will be 2 million mu, an increase of 200,000 mu over last year. [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 18 Mar 82 HK]

LIAONING EMERGENCY MEETING ON COMBATING DROUGHT

SK310702 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 30 Mar 82

[Excerpts] According to our reporter (Du Zhongchuan) in Chaoyang Prefecture, from 27 to 29 March the Chaoyang Prefectural CCP Committee sponsored an emergency on-the-spot meeting on combating drought. Advanced measures to arouse the people in the prefecture to wage an extensive struggle against the drought were recommended. During the meeting, participants visited 10 communes, brigades and production teams in Harqin Zuoyi Mongolian Autonomous County and Lingyuan County to view their model work, such as harrowing soil and burying water to preserve moisture. They were also briefed by production units on experiences gained in combating the drought to make farming preparations.

Attending the meeting were Zhang Xincun, secretary of the provincial CCP committee, and Zhao Qi, vice governor of the province, who extended sympathy and solicitude for the broad masses of cadres and commune members throughout Chaoyang Prefecture who had waged a struggle against the serious drought. They also urged the people in the prefecture to make persistent efforts to do a good job in combating the drought and make a success in spring sowing to reap a bumper agricultural harvest this year.

The broad masses of commune members throughout the drought-ridden prefecture are waging a struggle against the drought to fulfill the task that each member is responsible for ensuring a full stand of seedlings on 1 mu of farmland. The prefecture has been plagued by a serious drought over the past 3 years, resulting in great difficulties in the people's livelihood and production. However, the people throughout the prefecture have never bowed to these difficulties and have overcome them by adopting every possible means to open more water sources and by using every existing facility to irrigate farmland. As of 27 March, the prefecture had irrigated 1.1 million mu of farmland in the winter-spring period and completed the work to bury water to preserve moisture over some 20,000 mu of farmland. The 35 communes of the prefecture irrigated over 10,000 mu of farmland in this period. The per-capita work of irrigating farmland among 16 communes reached over 1 mu of farmland. Harqin Zuoyi Mongolian Autonomous County irrigated over 240,000 mu of farmland in this period, fulfilling the assignment set forth by the prefectural authorities. Localities throughout the prefecture are sparking an upsurge in harrowing soil and conducting spring irrigation. Their per-day work in this regard is about 30,000 mu of farmland.

LIAONING HOLDS EXPORT TRADE MEETING IN SHENYANG

SK310856 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 30 Mar 82

[Text] According to our reporter (Li Minggao), a 16-day provincial export trade meeting concluded today in Shenyang. Some \$70 million worth of trade agreements were reached, overfulfilling the planned target by 80 percent. In addition, import trade items were negotiated and many economic cooperation agreements concluded. Participating at this meeting were over 700 foreign traders from 30 countries and regions. During the talk, foreign traders enthusiastically selected samples and held trade talks. Our province's grain and oil foodstuffs, textile products and machinery installations were well received.

Representatives from industrial departments mingled with foreign trade representatives. Representatives from some 300 export-producing plants attended the meeting to learn about the needs of foreign traders; this will help improve the quality of commodities and promote business. Many foreign traders examined the samples of commodities and visited many plants.

CHINA POST EDITORIAL ON HOLDRIDGE VISIT TO PRC

OW291039 Taipei CHINA POST in English 25 Mar 82 p 4

[Editorial: "No Need for Holdridge To Visit Peiping"]

[Text] The news that U.S. Assistant Secretary of State John Holdridge would visit Peiping to discuss the problem of U.S. arms sales to the Republic of China is certainly disturbing.

The possibility of another visit by the U.S. assistant secretary of state was reported by the Hong Kong-based FAR EASTERN ECONOMIC REVIEW, saying that Holdridge would visit mainland China later this month with a fresh proposal that could determine whether Red China actually would downgrade relations with the United States over U.S. arms sales to the ROC. The Hong Kong report was reported by the AP dispatched on March 22. Although no date of the visit was mentioned and neither the Peiping "Foreign Ministry" or the U.S. "Embassy" there would discuss the subject, the report is not outside the realm of possibility.

But we hope that the report is not true and is a matter of speculation and conjecture, for there is no need for Washington to submit itself to Peiping's blackmail by sending Holdridge to Peiping for another discussion of the U.S. arms sales issue. He has done so recently to explain the Reagan administration's decision of denying the ROC request for FX fighters without too much success. Holdridge's visit merely opened the door for the Peiping regime to make all sorts of demands including the cutting off of all arms sales to the Republic of China within a certain time limit.

The people of the Republic of China cannot help but wonder why the United States should be so condescending to the Peiping regime, submitting itself to its unreasonable demands and extortion tactics. There is no reason whatsoever for the Reagan administration to discuss with any Peiping officials the issue of arms sales to the Republic of China as required by the Taiwan Relations Act. To do so would be asking for trouble and open the way for Peiping's interference in the conduct of U.S. foreign policy and relations with the ROC. The people of the United States and the Republic of China would not stand for such betrayal.

It is time for President Ronald Reagan to realize the dangerous pitfalls of the Nixon and Carter foreign policy and not to follow that policy. That policy is a no-win policy leading to certain defeat which will hurt U.S. prestige and confidence all over the world. It is a policy engineered by a group of pro-Peiping officials in the U.S. administration for a betrayal of the Republic of China and U.S. vital interests in the Free World. It should be abandoned and another policy as advocated by President Reagan adopted and carried out in accordance with the Taiwan Relations Act.

COMMUNIQUE SIGNED ON SAUDI MINISTER'S VISIT

OW010409 Taipei CNA in English 0244 GMT 1 Apr 82

[Text] Taipei, 1 Apr (CNA) -- Husayn I. al-Mansuri and Lien Chan, communications ministers of the Kingdom of Saudi Arabia and the Republic of China, Wednesday stressed more bilateral cooperation in communications activities. The two ministers issued a joint communique concluding Al-Mansuri's visit to the Republic of China.

Since his arrival March 28, Minister al-Mansuri and Minister Lien had reviewed the present cooperation projects which include exchanges of visits, cooperation in computerization projects, provision of technical personnel and technical support for Saudi Arabian rural roads, the communique said.

During the past days, the Saudi dignitary and his accompanying delegation received warm welcome from their Chinese counterparts. The final communique said the visit will surely further strengthen the existing friendly ties that bind the two countries. They also visited some communications facilities, including the Sun Yat-sen freeway.

On the eve of his departure, Minister al-Mansuri was received by Premier Sun Yun-hsuan of the Republic of China and conferred the order of propitious clouds with grand cordon by the Chinese Government, the communique said.

The Saudi Minister expressed, in the communique, his thanks and gratitude for the very warm reception and generous hospitality he and his delegation had received during their stay in Taipei. He also expressed his admiration for the great progress the Republic of China has achieved during the past few years and wished for the brotherly nation more and more progress and prosperity.

Minister al-Mansuri has extended an invitation to Minister Lien to visit his country in order to see the development in Saudi Arabia, particularly those in communications, according to the communique.

The Saudi Minister will leave Taipei April 1. He is accompanied by Dr Nasir M. as-Sallum, his deputy, Hazza A. Taha, deputy director general of the ministry's maintenance department; and Mustafa Darwish, director of public relations and information.

#### TAIWAN POSITION ON IMPORT BAN GIVEN TO JAPAN

OW201445 Taipei CNA in English 1423 GMT 20 Mar 82

[Text] Taipei, 20 Mar (CNA) -- Chang Yen-tien, chairman of the Association of East Asian Relations, Saturday handed the Chinese Government's position on the ban of imported Japanese consumer products to Hiroshi Hitomi, director of the [words indistinct] to the Association of East Asian Relations on March 4 protesting the Chinese ban imposed February 13 on the import of more than 1,500 items of Japanese consumer products. The note strongly demanded that the Chinese authorities lift the ban. Otherwise, it said, Japan may well be forced to take countermeasures such as stoppage of beneficiary customs.

Chang received Hitomi Saturday at the Association of East Asian Relations offices. They conferred about forty minutes [words indistinct] declined to elaborate [words indistinct] but said that Hitomi will pass the Chinese reply to the Japanese Government. Further negotiation will have to await Hitomi's receiving instructions from the Japanese Government. Hitomi went to Tokyo two weeks ago for consultation with the Japanese Government and returned to Taipei Friday.



WEN WEI PO ON 'CRITICAL MOMENT' IN PRC-U.S. TIES

HK010954 Hong Kong WEN WEI PO in Chinese 1 Apr 82 p 1

[Editorial: "New Trick of the Reagan Administration"]

[Text] Several recent incidents have revealed new trends in the Reagan administration's treatment of the issue of arms sales to Taiwan.

According to reports in the Washington POST, after a delay of several months, the Reagan administration will submit before Easter a proposal to Congress for putting the arms sales into effect.

U.S. Assistant Secretary of State John Holdridge, who will soon come to resume talks in China, delivered a speech at the invitation of the so-called "Sino-U.S. Cultural Association" stating that unofficial relations with Taiwan should be improved in "quality, style and substance." Shortly before this, former U.S. National Security Assistant to the President Richard Allen visited Taiwan and reaffirmed friendship between the United States and Taiwan.

U.S. Secretary of State Alexander Haig has pointed out that Sino-U.S. relations are at a "very delicate stage" the cause of which is not just arms sales to Taiwan but the United States' failure to meet China's needs in technological modernization and China's doubts about the U.S. capabilities in opposing the Soviet Union.

These related words and deeds constitute the Reagan administration's new trick on the question of arms sales to Taiwan.

The clamor over the Reagan administration's decision on arms sales to Taiwan has lasted for some time. Holdridge was sent to hold talks in China in order to obtain China's consent and to postpone submitting to Congress an application for arms sales to Taiwan, thus trying to weaken the issue with time and relax the atmosphere. But it is no use for the Reagan administration to wait. On problems involving China's sovereignty, it is impossible for China to compromise. China may take into consideration the U.S.-Taiwan connection in history and make appropriate but not unlimited accommodation allowing other countries to trample on China's sovereignty. The reason why it is difficult to have a breakthrough in the talks is that the Reagan administration is not willing to fix a time limit for arms sales to Taiwan.

It seems that the Reagan administration is determined to stake everything on a single throw. The nature of imperialism and the strategy to contend for Asia are luring the Reagan administration to regard Taiwan as "an unsinkable aircraft carrier" of the United States. However, this is building castles in the sky and is playing tricks. At present, the Reagan administration is ready to put the issue on record in Congress, and at the same time it is going to send Holdridge to China to hold talks again. It thinks that adopting a pose of holding talks is equivalent to showing respect for China's sovereignty and that this will obtain China's acquiescence in return. These are features of a doubledealer. China regards these diplomatic maneuvers of the Reagan administration as mere attempts to cover up its intervention in China's internal affairs with "talks."

At present, the Sino-U.S. relations are on the brink of retrogression. But Haig has put forth a new explanation for this. It seems that the fact that Sino-U.S. relations have reached an impasse is not the fault of the United States but is caused by China's dissatisfaction with the failure to have its needs met. This is extremely ridiculous! History proved long ago that although China was blockaded for a long time in the past, it was still able to make A-bombs, H-bombs and multiple warhead missiles. Can China not experiment on and master technology by relying on itself in the future? The Chinese people disdain importing technology from abroad at the expense of national interests. If we say that China values its relations with the United States, this is not because of the needs in its construction at all but because of the needs of the two countries' global strategy. Haig's explanation has purposely distorted the state of affairs to confuse world public opinion.



At present, the issue of arms sales to Taiwan has not yet been settled. The U.S. Government has again used the women's softball tournament and the question concerning immigration to create disturbance over the "two Chinas" issue. On 26 March, China's Foreign Ministry lodged a note of protest against the U.S. Government. It appears that Sino-U.S. relations are at a critical moment. Deng Xiaoping said: "If things really cannot go on like this, then relations should retrogress!" China has prepared for this. The Chinese people will not be confused by tricks of the Reagan administration!

MING PAO: 'PENG DEHUI'S ACCOUNT' BESTSELLER

HK230939 Hong Kong MING PAO in Chinese 23 Mar 82 p 5

[Special dispatch: "'Peng Dehuai's Account' Is on Sale, Quickly Sold Out in Beijing"]

[Text] Beijing, 22 Mar -- According to a report by MING PAO contributing correspondent Chung Chuan, the book "Peng Dehuai's Account" published by mainland China has become one of the bestsellers in Beijing. On the day when the book was published, people in Beijing rushed to purchase it. The largest book store in Beijing, the XINHUA Bookstore in Wangfujin, had to put up a notice with the words "'Peng Dehuai's Account' sold out," after selling the book for just 1 hour.

As far as the broad masses in China are concerned, Peng Dehuai is not only a strategist who is famous both inside and outside the country, but more important, he is a general from a humble family, who stepped forward bravely and pleaded in the name of the people in 1959 when the "communist wind" swept through China. After buying a copy of "Peng Dehuai's Account," a Beijing citizen said to people of the publishing circles: "Peng is not a scholar afterall, but his writing tells the truth." Another citizen told a member of staff of the bookstore: "Peng is a person who is concerned with our destiny."

People also queued up in front of the sales counter of the publishing house, and all the copies stored by the publishing house were sold out.

This book of 170,000 words is almost the sole published "work" of this general during his lifetime. People in the publishing circles in Beijing said "This is not a common historical biography but is a special biography of a special figure written during a special period." In 1978, when straightening out the files of the former central special case unit, the officials of the PRC discovered Peng Dehuai's 200,000-word-long posthumous manuscript, which included the "Letter of 80,000 Words" written to Mao Zedong when he was living in seclusion in the garden of the Ng family after he had been dismissed from his post and the "explanatory materials" written during the "Great Cultural Revolution." Shortly after this, the Central Military Affairs Commission organized an editing unit under the supervision of Wang Yan, official of the former "Peng's office" (short form for Peng Dehuai's office). In addition, the CCP senior military and government officials and Peng Dehuai's colleagues and old friends such as Yang Shangkun, Huang Kecheng, Xi Zhongxun, Pu Anxiu, Li Jukui, Wang Zhengzhu and others were invited to go over the original copy and delete the repetitive parts on the basis of Peng Dehuai's "biographical materials." The book was published in its original form after some technical changes were made.

Peng Dehuai's "Letter of 4,000 Words" submitted at the 1959 Laoshan meeting (that is the Eighth Plenary Session of the Eighth CCP Central Committee) and summary of Peng's talk with Mao Zedong were openly published for the first time in "Peng Dehuai's Account."

People of the publishing circles in Beijing have published comments on the publication of "Peng Dehuai's Account."

The editor-in-charge of this book said: "Even at that time, Peng still had a clear mind and paid respect to history. He wrote in a simple way as though he was writing telegrams in the battlefield. The most astonishing thing is that he had a good memory and strong will power. He wrote these things during the "Great Cultural Revolution" when he was confined in a house where there was literally no sunshine at all, without any references at hand and when he was seriously ill." Yang Shangkun, secretary general of the CCP Central Military Affairs Commission, in evaluating the book, said that Peng Dehuai was a "hero of the Chinese Nation."

At present, the People's Publishing House is going to publish 300,000 more copies of "Peng Dehuai's Account" and is also going to publish it in other languages after it is translated by the Beijing foreign language bookstore.

#### PRC PROJECTS READY TO ACCEPT FOREIGN INVESTMENT

HK250215 Hong Kong TA KUNG PAO in English 25-31 Mar 82 p 1

[Beijing correspondent's report]

[Text] Total investment for the 130 projects selected by China for discussion with foreign investors at the investment promotion meeting to be held in June is U.S.\$1.65 billion, of which 900 million need to be financed by foreign investors, declared Ji Chongwei, leading member of the preparatory committee of the China investment promotion meeting, at an introduction conference on the meeting in Beijing March 23. To be held in Guangzhou from June 7-11, the conference will be cosponsored by the Chinese Ministry of Foreign Economic Relations and Trade and the United Nations Industrial Development Organization.

According to Ji Chongwei, among the 130 projects, five are supposed to be newly-established ones and the remaining 125 are aimed at revamping or expanding existing enterprises.

Ji Chongwei, who is also deputy president (chairman) of the Board of the China International Economic Consultancy Corporation, has been in charge of overseas investments in China during the past two years.

The proposed projects will mainly cover chemical, food processing, light and textile, machine building, electronic and building materials industries. Sixty-five of the projects are located in coastal provinces. Capital investment in these projects will be approximately \$1.5 billion. The remaining 65, which are in the interior, will absorb the balance of \$500 million [as published]. In terms of the amount of the investment to be absorbed, 31 projects will receive \$3 million or less, 51 will receive \$3-10 million, 44 will receive \$10-50 million. Only 4 projects will receive investments exceeding U.S.\$50 million. The methods by which the overseas investments are drawn will be highly flexible, varying from joint ventures, cooperative production compensatory trade, or other forms considered satisfactory to the parties involved.

"The chosen projects enjoy a reliable supply of raw materials and matching amount of financial resources from the Chinese side and can produce goods that are marketable both at home and abroad, Ji said, "and once joint venture agreements are reached with foreign investors, the projects will be included in the state plan." Projects in energy, transportation and agricultural sectors are not included, he added.

A list of the 130 proposed projects and application forms for participation at the conference have already been sent out by UNIDO offices to interested parties abroad. The list and application forms for interested circles in Hong Kong and Macao will be handled by the Chinese Ministry of foreign economic relations and trade. The deadline for the application is April 25.

Ji expressed the hope that during the meeting, the Chinese and foreign sides would reach agreements on some of the projects in joint ventures, compensatory trade or other forms of cooperation. He revealed that a 8-member Chinese delegation will visit Paris, Cologne, and Brussels and he will come to Hong Kong next month to hear the views of interested local business circles.

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